

GUILDFORD BOROUGH COUNCIL



MOSELEY MAYOR

Contact Officer:

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

1 February 2022

To the Councillors of Guildford Borough Council

You are hereby summoned to attend a meeting of the Council for the Borough of Guildford to be held in the **Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB** on **WEDNESDAY 9 FEBRUARY 2022** commencing at 7.00 pm.

Tom Horwood
Joint Chief Executive of Guildford and Waverley Borough Councils

Millmead House
Millmead
Guildford
Surrey GU2 4BB

www.guildford.gov.uk

WEBCASTING NOTICE

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

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

THE COUNCIL'S STRATEGIC FRAMEWORK (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

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

AGENDA

1. APOLOGIES FOR ABSENCE

2. DISCLOSURES OF INTEREST

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

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

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

3. MINUTES (Pages 5 - 20)

To confirm the minutes of the special meeting of the Council held on 2 December and the ordinary meeting held on 7 December 2021.

4. MAYOR'S COMMUNICATIONS

To receive any communications or announcements from the Mayor.

5. NOTICE OF MOTION DATED 12 JANUARY 2022: HER MAJESTY THE QUEEN'S PLATINUM JUBILEE

In accordance with Council Procedure Rule 11, The Mayor, Councillor Marsha Moseley to propose, and The Deputy Mayor, Councillor Dennis Booth to second the following motion:

“That an address be sent to Her Majesty Queen Elizabeth II offering Her Majesty the congratulations of Guildford Borough Council in the name of the people of Guildford, on the occasion of the seventieth anniversary of her accession to the throne and wishing her long to reign.”

- 6. LEADER'S COMMUNICATIONS**
To receive any communications or announcements from the Leader of the Council.
- 7. PUBLIC PARTICIPATION**
To receive questions or statements from the public.
- 8. QUESTIONS FROM COUNCILLORS**
To hear questions (if any) from councillors of which due notice has been given.
- 9. PAY POLICY STATEMENT 2022-23** (Pages 21 - 36)
- 10. CAPITAL AND INVESTMENT STRATEGY 2022-23 TO 2026-27** (Pages 37 - 190)
- 11. HOUSING REVENUE ACCOUNT BUDGET 2022-23** (Pages 191 - 226)
- 12. GENERAL FUND BUDGET 2022-23 AND MEDIUM-TERM FINANCIAL PLAN 2023-24 TO 2025-26** (Pages 227 - 328)
- 13. PERIODIC ELECTORAL REVIEW OF GUILDFORD BOROUGH COUNCIL: PROPOSED RESPONSE TO DRAFT RECOMMENDATIONS** (Pages 329 - 384)
- 14. COMMUNITY GOVERNANCE REVIEW: WEST HORSLEY PARISH COUNCIL**
(Pages 385 - 402)
- 15. TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS 2022-23**
(Pages 403 - 406)
- 16. DESIGNATION OF MONITORING OFFICER** (Pages 407 - 416)
- 17. MINUTES OF THE EXECUTIVE** (Pages 417 - 430)
To receive and note the attached minutes of the meeting of the Executive held on 23 November 2021 and 4 January 2022.
- 18. COMMON SEAL**
To order the Common Seal to be affixed to any document to give effect to any decision taken by the Council at this meeting.

GUILDFORD BOROUGH COUNCIL

Minutes of a special meeting of Guildford Borough Council held at The Guildhall, High Street, Guildford, Surrey, GU1 3AA on Thursday 2 December 2021

- * The Mayor, Councillor Marsha Moseley
- * The Deputy Mayor, Councillor Dennis Booth

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

*Present

There were also in attendance the following Honorary Freemen, Honorary Officers of Dignity and Honorary Aldermen:

Honorary Freeman Andrew Hodges
Honorary Freeman David Watts
Honorary Remembrancer Matthew Alexander
Honorary Alderman K Childs
Honorary Alderman Mrs C F Cobley
Honorary Alderman Sarah Creedy
Honorary Alderman Vivienne Johnson
Honorary Alderman T Patrick
Honorary Alderman Nick Sutcliffe
Honorary Alderman M A H M Williamson

CO66 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Christopher Barrass, Chris Blow, Colin Cross, Angela Goodwin, Diana Jones, Steven Lee, Ann McShee, Bob McShee, John Rigg, James Steel, and Catherine Young, and Honorary Freeman Jen Powell, and Honorary Aldermen Jayne Marks and Lynda Strudwick.

CO67 DISCLOSURES OF INTEREST

There were no disclosures of interest.

CO68 MAYOR'S COMMUNICATIONS

The Mayor had no formal communications to convey to the Council other than to welcome the newly appointed macebearers.

CO69 APPOINTMENT OF HONORARY ALDERMEN

Before proceeding to the principal business of the meeting, the Mayor invited the Honorary Remembrancer to summarise for the Council the origin, history, and development of the office of Honorary Alderman.

Upon the motion of Councillor Paul Spooner, seconded by Councillor George Potter, the Council unanimously

RESOLVED: That, pursuant to the provisions of Section 249(1) of the Local Government Act 1972, the title of Honorary Alderman be conferred upon Vas Kapsalis, Tony Phillips, Keith Taylor, Jenny Wicks, and David Wright, all of whom had, in the opinion of this Council, rendered eminent services to the Council as past members thereof.

Having been invested with their Alderman's robes, Mr Kapsalis, Mr Phillips, Mr Taylor, Mrs Wicks, and Mr Wright each made the Declaration of Acceptance of Office and took the Oath of Allegiance.

The meeting finished at 7.40 pm

Signed
Mayor

Date

GUILDFORD BOROUGH COUNCIL

Minutes of a meeting of Guildford Borough Council held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey, GU2 4BB on Tuesday 7 December 2021

The Mayor, Councillor Marsha Moseley
* The Deputy Mayor, Councillor Dennis Booth (in the chair)

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

*Present

CO70 APOLOGIES FOR ABSENCE

Apologies for absence were received from The Mayor, Councillor Marsha Moseley and from Councillors Paul Abbey, Jon Askew, Joss Bigmore, Chris Blow, Colin Cross, Graham Eyre, Gillian Harwood, Steven Lee, Nigel Manning, Susan Parker, George Potter, Jo Randall, Pauline Searle, Will Salmon, James Walsh, and Fiona White; and also from Honorary Aldermen Catherine Cobley, Jayne Marks, Terence Patrick, Lynda Strudwick, and Nick Sutcliffe.

CO71 DISCLOSURES OF INTEREST

There were no disclosures of interest.

CO72 MINUTES

The Council confirmed, as a correct record, the minutes of the ordinary Meeting held on 5 October and Extraordinary Meeting held on 1 November 2021. The Deputy Mayor signed the minutes.

CO73 MAYOR'S COMMUNICATIONS

On behalf of the Mayor, the Deputy Mayor welcomed the new Joint Chief Executive, Tom Horwood, to his first ordinary Council meeting and wished him every success in his new role.

The Deputy Mayor informed councillors that there were a small number of tickets still available for the Mayor's Charity Christmas Concert on Sunday 12 December at Holy Trinity Church.

CO74 LEADER'S COMMUNICATIONS

In the absence of the Leader, the Deputy Leader was pleased to inform the Council of the various festivities and events scheduled to take place over the Christmas period.

The Deputy Leader reported that having launched our crowdfunding platform in November, the first project "Create a Workshop" was held this week where people who had a project or an idea were able to receive guidance and expert advice on how to get cash to get started. A further workshop was being held on 12 January 2022.

The Deputy Leader also reported that phase 1 of the Walnut Bridge project had been completed with the bridge open for use. Work had commenced on the new ramp and steps, with the landscaping of Bedford Wharf plaza scheduled to begin in the New Year.

Councillors noted that the Council's City Bid would be submitted formally on 8 December, after which it would be placed on to the Council's website. On behalf of the Executive, the Deputy Leader thanked everyone who had worked on the Bid, and those who had supported it.

The Deputy Leader reported on the changes to the Executive, which were set out in Appendix 1 to the Order Paper and welcomed Councillor Cait Taylor as the new Lead Councillor for Climate Change.

Finally, the Deputy Leader reported that the number of Covid cases in Surrey was high but had stabilised, although the rate had decreased in Guildford, it was still higher than the national and the Surrey average. In order to prevent the spread of the virus, the Deputy Leader urged everyone to get fully vaccinated.

In response to a question as to which Lead Councillor was responsible for housing delivery, the Deputy Leader confirmed that responsibility for housing delivery would be shared between the Housing and Community, and the Regeneration portfolios.

CO75 PUBLIC PARTICIPATION

Mr Ivor Thomas (resident of Shalford) made a statement to the Council in opposition to Surrey County Council's proposals to convert Dagley Lane, Shalford into a cycle track and to request Guildford Borough Council to raise an objection to the scheme based on environmental and financial grounds.

The Lead Councillor for Environment responded by stating that, although he shared some of these concerns, there was a strategic desire to see more cycle routes within the borough. In relation to the use of rubber sealing, there were concerns regarding its durability, but Surrey County Council had given reassurances that it would last for at least twenty years, with the first ten years under the manufacturer's warranty. Whilst the Borough Council wished to see more cycle lanes to increase accessibility, it was very important to ensure that the biodiversity of the area was not negatively impacted.

CO76 PETITION: MAKE GUILDFORD PESTICIDE-FREE

The Council considered a report on the receipt of a joint petition and e-petition, containing a combined total of 534 signatories and e-signatories, requesting the Council to '*Phase out the use of pesticides, including glyphosate, in Guildford.*'

As there were in excess of 500 signatures, the Council's Petition Scheme required the full Council to debate the matters raised by the petition/e-petition and to indicate to the petition organisers what action the Council proposed to take in response.

The report included the petition organisers' supporting statement accompanying the petition, which had stated:

"Every year, our pavements, streets, parks, playgrounds and other open spaces in Guildford are sprayed with pesticides. In particular, glyphosate is used across the borough on a regular basis. Inevitably, we as Guildford residents come into contact with these pesticides, as do our children, pets and local wildlife.

Pesticides (including glyphosate) have been linked to an array of health problems, from neurological disorders such as Parkinson's disease, cancers such as non-Hodgkin's lymphoma to autism in children. Vulnerable groups such as children, pregnant women and the elderly are most at risk of being affected.

As well as damaging human health, pesticides harm urban biodiversity. Pesticides are key contributors to the dramatic reductions in insects such as bees and other pollinators. Glyphosate has been shown to affect bees' ability to navigate, their sleep, larval development, and immunity to deadly infections. Glyphosate also kills flowering plants that bees and other insects rely on. This reduction in pollinators has far-reaching consequences for both wildlife and people.

Pesticides contaminate our water supply and harm aquatic life. They also poison our soils and harm soil invertebrates such as worms.

Urban pesticide use is unnecessary. Many towns and cities around the world have banned them. Pesticides are banned in all green public spaces across the whole of France. Copenhagen and Seattle manage their public spaces without pesticides. Councils across the UK are showing it can be done too with over 60 councils now implementing programs to phase out their use. Locally, Waverley borough, Petersfield and Chichester have all committed to phase out pesticides whilst trialling alternatives.

Well tested, cost effective and safe non-chemical alternatives to pesticides exist and are already being used in other towns locally. Using alternatives, or simply leaving some weeds in place to flower (where they do not cause a hazard) would have a positive impact on biodiversity and human health in Guildford.

We are asking Guildford Borough Council to phase out the use of pesticides, including glyphosate, in Guildford.

Please support us, sign this petition, share it with your friends and help make our town pesticide free.

This petition has been organised by Guildford Environmental Forum, a voluntary organisation that works to promote environmental protection in and around Guildford."

The co-organisers of the petition Helen Harris and Frances Rollin, who were also members of the Guildford Environmental Forum, made a statement to the Council in support of their petition. Nick Mole (Policy Officer, Pesticide Action Network UK) also addressed the meeting in support of the petition.

The Lead Councillor for Environment, Councillor James Steel proposed, and the Lead Councillor for Economy, Councillor John Redpath, seconded the following motion in response to the petition:

"This Council acknowledges the work that officers have already undertaken to minimise chemical use and to explore alternative methods of weed control. We also recognise that the current Chemical Minimisation Policy, whilst still relevant, needs review.

The Council aims to stop using chemicals and believes that the approach to be taken should be to phase out their use as quickly as is practicable, recognising that at present it may not always be possible to eliminate their use altogether.

The Council feels that a detailed chemical action plan should be developed that includes continued commitment to:

- *existing chemical reduction actions*
- *exploring alternatives*
- *communication*
- *educating site users and managing expectations*
- *working with partners to facilitate alternative approaches*

To that end, the Council therefore

RESOLVES: That the Executive be requested to urgently consider and approve the proposed chemical reduction measures in 2022 set out in Appendix 6 to the report submitted to the Council.”

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

- (1) Substitute the following in place of the 3rd paragraph of the motion:

“The Council aspires to becoming a pesticide and herbicide free borough (to the greatest extent possible), following an agreed three-year phase-out plan, and accordingly feels that a detailed chemical action plan should be developed that includes continued and public commitment to:

- (2) Omit the fifth bullet point.

- (3) Add the following bullet points:

- *“establishing a working group involving partners including the Pesticides Action Network and the Guildford Environmental Forum to facilitate alternative approaches*
- *Collaborating on the phasing-out of pesticide use with Surrey County Council and Waverley Borough Council (who have already adopted a similar policy)*
- *Incorporating the Council’s chemical action plan in all relevant contracts.”*

- (4) Add the following to the end of the resolution:

“and committing the Council to working with the County Council in developing a joint pesticide policy”.

The motion, as altered, would read as follows:

“This Council acknowledges the work that officers have already undertaken to minimise chemical use and to explore alternative methods of weed control. We also recognise that the current Chemical Minimisation Policy, whilst still relevant, needs review.

The Council aims to stop using chemicals and believes that the approach to be taken should be to phase out their use as quickly as is practicable, recognising that at present it may not always be possible to eliminate their use altogether.

The Council aspires to becoming a pesticide and herbicide free borough (to the greatest extent possible), following an agreed three-year phase-out plan, and accordingly feels that a detailed chemical action plan should be developed that includes continued and public commitment to:

- *existing chemical reduction actions*
- *exploring alternatives*
- *communication*
- *educating site users and managing expectations*
- *establishing a working group involving partners including the Pesticides Action Network and the Guildford Environmental Forum to facilitate alternative approaches*
- *Collaborating on the phasing-out of pesticide use with Surrey County Council and Waverley Borough Council (who have already adopted a similar policy)*
- *Incorporating the Council's chemical action plan in all relevant contracts.*

To that end, the Council therefore

RESOLVES: That the Executive be requested to urgently consider and approve the proposed chemical reduction measures in 2022 set out in Appendix 6 to the report submitted to the Council and committing the Council to working with the County Council in developing a joint pesticide policy”.

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

Following the debate on the substantive motion, but before the vote was taken on it, Nick Mole, on behalf of the petition organisers, exercised their right of reply on the debate.

The Council

RESOLVED: That the Council's response to the petition is as follows:

“This Council acknowledges the work that officers have already undertaken to minimise chemical use and to explore alternative methods of weed control. We also recognise that the current Chemical Minimisation Policy, whilst still relevant, needs review.

The Council aims to stop using chemicals and believes that the approach to be taken should be to phase out their use as quickly as is practicable, recognising that at present it may not always be possible to eliminate their use altogether.

The Council aspires to becoming a pesticide and herbicide free borough (to the greatest extent possible), following an agreed three-year phase-out plan, and accordingly feels that a detailed chemical action plan should be developed that includes continued and public commitment to:

- existing chemical reduction actions
- exploring alternatives
- communication
- educating site users and managing expectations
- establishing a working group involving partners including the Pesticides Action Network and the Guildford Environmental Forum to facilitate alternative approaches
- Collaborating on the phasing-out of pesticide use with Surrey County Council and Waverley Borough Council (who have already adopted a similar policy)
- Incorporating the Council's chemical action plan in all relevant contracts.

To that end, the Council therefore

RESOLVES: That the Executive be requested to urgently consider and approve the proposed chemical reduction measures in 2022 set out in Appendix 6 to the report submitted to the Council and committing the Council to working with the County Council in developing a joint pesticide policy”.

CO77 QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

CO78 REGULATION 19 CONSULTATION ON LOCAL PLAN DEVELOPMENT MANAGEMENT POLICIES

The Council considered a report on The Local Plan: Development Management Policies (hereafter referred to as ‘the draft Local Plan’), which was the second part of Guildford’s Local Plan. Once adopted it would, together with the adopted Local Plan: Strategy and Sites document (LPSS), fully supersede the existing Local Plan 2003 and become part of the Council’s Development Plan. The draft Local Plan provided the more detailed policies to be used by Development Management in the determination of planning applications. Councillors noted that the LPSS included a small number of development management policies where these were necessary in implementing the strategic policies, for examples in relation to Green Belt, employment and retail.

The structure of the draft Local Plan was consistent with that contained in the LPSS. The chapters therefore consisted of: Housing, Protecting, Economy, Design, and Infrastructure and Delivery. A list of all the proposed policies and a brief summary of any changes in the policy approach compared to the Regulation 18 version was contained in Appendix 1 to the report.

The Regulation 18 consultation had included both ‘issues and options’ and went on to suggest a ‘preferred option’ for each policy. This approach was designed to generate meaningful comments and concerns, which it did and now enabled the Council to move straight to a Regulation 19 ‘proposed submission’ document. This in turn would increase the possibility of being able to progress the plan to Examination without the need for main modifications and a further round of consultation.

There had been limited significant changes in the policy approaches set out in the Regulation 18 version; however, there were some notable changes, and these had been categorised in the following ways: refinement of policy approach, presentational/ structural changes, new policies, deleted policies and changes in policy approach from the preferred Regulation 18 approach to an alternative option.

The Regulation 19 consultation period would run for six weeks from early January to mid-February 2022.

The report had also sought permission to consult upon a Parking Supplementary Planning Document (SPD) for a four-week period. This document would be consulted upon, but not adopted. The issue of whether its content should form part of the DPD or be a standalone SPD would be put to the Inspector at the Examination in Public.

Councillors noted that this matter was considered by the Executive at its meeting held on 23 November 2021. The Executive had endorsed the recommendation in the report, subject to further investigation as to the merits of extending the requirement for design codes to all housing sites allocated in the Development Plan. Details of the outcome of that investigation were set out in Order Paper circulated at the meeting.

The Lead Councillor for Regeneration, Councillor John Rigg proposed, and Councillor Liz Hogger seconded the motion set out in the Order Paper. During the debate, whilst there was an acceptance that the Council should proceed to the Regulation 19 consultation without further delay, there were still ongoing concerns over the need for policies to address climate change, preservation of ancient woodland, and infilling.

The Council, having considered the report and the draft Local Plan

RESOLVED:

(1) That the draft Local Plan: Development Management Policies document which accompanied the agenda for the extraordinary Council meeting held on 1 November, including the changes to that document referred to in Appendix 2 to the report submitted to the Council, be approved for Regulation 19 public consultation for a period of six-weeks beginning in early January 2022, subject to the following amendments:

(i) Add the following wording to Policy D4

'Masterplanning and Design Codes

8) Strategic sites listed in LPSS 2019 Policy D1(13) are Required to produce masterplans and follow a Design Code approach through the planning application process. This will require a Design Code to be agreed prior to the granting of full or reserved matters planning permission for any phase of the development. Where outline planning permission has been agreed subject to Design Code agreement, any relevant Reserved Matters applications which are submitted without the Design Code being agreed will be refused.

9) Masterplans and Design Codes will also be required for any site that will be developed in more than one phase or by more than one developer. Failure to agree a Design Code approach is likely to result in the refusal of an application.

10) A design code will be required for any other site or part of a site where it is considered necessary to set design parameters'.

(ii) Add the following text to the reasoned justification to the policy:

'5. 19 Masterplans and Design Codes will also be required on other sites as specified in the policy in order to deliver schemes that are designed in a comprehensive manner. This will ensure that matters such as the design and location of roads, cycle and pedestrian links, open space, services and facilities are all considered holistically across the wider site. It is also important that any development proposal considers the way in which it will knit into the existing settlement fabric, promoting interconnectedness and avoiding sterilising the future development potential of adjoining land. The need to set design parameters in design codes is most likely to be required where there is design uncertainty, such as in the case of outline or hybrid planning applications for development sites.'

(iii) Amend the wording of the proposed LPDMP Policy ID11 at point e) so that it reads as follows:

'the provision of electric vehicle charging will provide at least the minimum requirements set out in the Parking SPD; and'

(2) That the draft Parking Supplementary Planning Document, be approved for public consultation for a four-week period beginning in January 2022.

- (3) That the Lead Councillor with portfolio responsibility for Planning Policy be authorised, in consultation with the Director of Strategic Services,
- (a) to amend:
 - (i) the draft Parking SPD to include standards for Electric Vehicle Charge Points (EVCP) for strategic sites (alongside EVCP standards for non-strategic sites, which are already in the draft Parking SPD), and
 - (ii) the guidance within the draft Parking SPD to reflect the Government's proposed new EVCP requirements for both strategic sites and non-strategic sites.
 - (b) to make such minor alterations to improve the clarity of the documents referred to in paragraphs (1) and (2) above, as they may deem necessary.
- (4) That if, in due course, and based on appropriate evidence, the Council wishes to introduce more stringent EVCP requirements, an updated Parking SPD be brought forward for consultation and potential adoption.

Reason:

The recommendations above are made to encourage the Council to:

- 1) Enable the draft Local Plan: Development Management Policies document to be published for public consultation.
- 2) Allow officers to undertake public consultation in line with the Town and Country Planning (Local Planning) (England) Regulations 2012, the Planning and Compulsory Purchase Act 2004, the National Planning Policy Framework 2021, Planning Policy for Traveller Sites 2015, the National Planning Practice Guidance, and the Council's Statement of Community Involvement 2020.

Undertaking a public consultation on the draft Local Plan is a statutory requirement placed on Local Planning Authorities under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 ('Local Planning Regulations') and will enable the Council to move closer to adopting the second part of the Local Plan as required by law and policy.

CO79 GAMBLING ACT 2005: STATEMENT OF PRINCIPLES 2022-25

Councillors noted that the Gambling Act 2005 required the Council, as licensing authority, to prepare and publish a Statement of Principles every three years. The existing Statement of Principles had been published in January 2019 and was due for renewal by January 2022.

The Council considered a report on the proposed adoption of the Statement of Principles covering 2022-25.

The Licensing Committee had approved an updated draft Statement of Principles, with no material changes proposed, for public consultation on 26 May 2021. Following the consultation, three responses had been received details of which were included in the report.

This matter had been considered by the Licensing Committee at its meeting on 24 November 2021. The Committee had endorsed the recommendation in the report to adopt the Statement.

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

RESOLVED: That the draft Gambling Act 2005 Statement of Principles 2022-25, as set out in Appendix 1 to the report submitted to the Council, be approved.

Reason:

To comply with the requirements of the Gambling Act 2005 the Council must prepare, consult on, and approve a statement of principles for the period 2022-25.

CO80 LOCAL COUNCIL TAX SUPPORT SCHEME 2022-23

The Council considered a report on its statutory duty to determine annually whether to revise its Local Council Tax Support Scheme (LCTSS), replace it with another or make no changes. The Council was obliged to consult with interested parties if it wished to revise or replace the scheme. The Council must approve a scheme for the 2022-23 financial year by 31 January 2022, to enable annual bills to be calculated correctly.

The Council noted that the LCTSS currently helped around 4,500 households by providing £5.8 million of support. The cost of the scheme was shared with Surrey County Council, with Guildford's share being around 10%.

In 2021-22, a number of minor changes were made to the scheme. For 2022-23 the following changes with a revenue cost of £2,500 had been proposed:

- Increase Personal Allowances and Premiums to ensure that the help given did not unduly reduce due to inflation.
- Increase Non-Dependant Deductions to reflect an expectation that their contribution to the household expenses should increase each year.
- Continue to remove the cap on Band E entitlement for 2022-23 to provide additional help during the pandemic. This would allow anyone in a Band E property who was eligible for 100% help to receive 100% instead of having the help restricted to a maximum of a lower banded Band D property.

Changes to Personal Allowances, Premiums and the Band E restriction would increase the cost of the scheme. The nature of changing caseload and personal circumstances of claimants meant that officers had forecast that the increase could be accommodated within the existing revenue budget.

A stakeholder consultation carried out during September to October 2021 had received a low response rate, but Surrey County Council and the Police and Crime Commissioner for Surrey supported the changes proposed for 2022.

The Council had increased the discretionary hardship fund for 2021-22 in anticipation of an increase in unemployment levels and calls for help. Whilst only half way through the year, with continuing uncertainty, the economic outlook was much more positive with the likelihood that the additional funds not being required. Accordingly, officers had proposed that the hardship fund should return to its normal £40,000. This should still provide sufficient funds for any additional applications that may result from the end of furlough or with increased caseload as a result of business failures.

The Council noted that, in 2020, the government had provided COVID19 Council Tax Hardship Funds, which were separate from the LCTS Hardship Fund and allowed the Council to support taxpayers with additional Council Tax discounts. Given that a taxpayer could not receive more than a 100% reduction, and as a large percentage already received 100% LCTS, the Council did not spend all the funds and had carried them forward to provide additional support in 2021. It was forecast that funds would remain at the end of 2021, and it was proposed that these should again be carried forward to provide further discounts in 2022.

The Strategy and Resources EAB had considered the complexities of LCTS at its meeting on 14 June. They were asked to provide feedback of key areas they would like officers to either leave untouched or look at in more detail. The EAB had requested officers to look at the

recalculation linked to Universal Credit. This was a complex matter and would be considered as part of the longer Future Options review.

The Council also noted that the Executive had considered the report at its meeting on 23 November 2021 and had endorsed the recommendation therein.

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

RESOLVED:

- (1) That the current Local Council Tax Support Scheme be amended for 2022-23, as set out in detail in Appendix 1 to the report submitted to the Council, with effect from 1 April 2022.
- (2) That the Council maintains a discretionary hardship fund of £40,000 in 2022-23, and carries forward any residual 2020 and 2021 COVID19 Council Tax Hardship Funds.

Reasons:

- (1) To ensure that the Council complies with legislation to implement a Local Council Tax Support Scheme from 1 April 2022.
- (2) To maintain a discretionary fund to help applicants suffering from severe financial hardship.

CO81 APPOINTMENT OF EXTERNAL AUDITORS

Councillors noted that the current arrangements regarding the appointment of the Council's external auditors would end on 31 March 2023. The Council considered a report on proposals for appointing the external auditor for the five-year period from 2023-24.

The Council was informed that Public Sector Audit Appointments (PSAA) was now undertaking a procurement for the next appointing period, covering audits for 2023-24 to 2027-28. During Autumn 2021 all local government bodies would need to make decisions about their external audit arrangements from 2023-24. The options available were to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they could join and take advantage of the national collective scheme administered by PSAA.

Officers considered that the sector-wide procurement conducted by PSAA would produce better outcomes and would be less burdensome for the Council than a procurement undertaken locally because:

- collective procurement reduced costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
- if the national appointment arrangements were not used, the Council would need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
- it was the best opportunity to secure the appointment of a qualified, registered auditor; and
- supporting the sector-led body offered the best way of ensuring there was a continuing and sustainable public audit market into the medium and long term.

If the Council wished to take advantage of the national auditor appointment arrangements, it was required under the local audit regulations to make the decision at full Council. The opt-in period had started on 22 September 2021 and would close on 11 March 2022.

At its meeting on 18 November, the Corporate Governance and Standards Committee had considered this report and had endorsed the recommendation in the report.

Upon the motion of the Lead Councillor for Resources, Councillor Tim Anderson, seconded by the Chairman of the Corporate Governance & Standards Committee, Councillor George Potter, the Council:

RESOLVED: That the Council accepts Public Sector Audit Appointments' invitation to opt in to the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

Reason:

To enable the Council to comply with statutory obligations under Section 7 of the Local Audit and Accountability Act 2014.

CO82 REVIEW OF THE NUMERICAL ALLOCATION OF SEATS ON COMMITTEES TO POLITICAL GROUPS: 2021-22

The Council received the report of the proper officer (Democratic Services and Elections Manager) on the review of the allocation of seats on committees following receipt, on 3 November 2021, of a notice in writing from Councillor Jan Harwood and the Leader of the Conservative group on the Council that, with immediate effect, Councillor Harwood wished to be treated as a member of the Conservative group.

Consequently, the political balance on the Council was now:

Guildford Liberal Democrats: 16
Residents for Guildford and Villages: 16
Conservatives: 10
Guildford Greenbelt Group: 4
Labour: 2

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

The report included a suggested numerical allocation of seats on committees to political groups that would best meet, as far as reasonably practicable, the requirements for political balance for the remainder of the 2021-22 Municipal Year.

Upon the motion of the Lead Councillor for Economy, Councillor John Redpath, seconded by the Deputy Leader of the Council, Councillor Julia McShane, the Council

RESOLVED: That, in the light of the change in the political constitution of the Council described in the report submitted to the Council, the proposed revision to the calculation of the numerical allocation of seats on committees to political groups for the remainder of the 2021-22 Municipal Year, as set out in the table below, be approved:

Committee	Lib Dem	R4GV	Con	GGG	Lab
Total no. of seats on the Council	16	16	10	4	2
% of no. of seats on the Council	33.33%	33.33%	20.83%	8.33%	4.17%
Notional no. of seats on cttees (Total: 89)	30	30	19	7	4
Corp Gov & Standards Committee (7 seats)	2	2	1	1	1
Employment Cttee (3 seats)	1	1	1	0	0
Service Delivery EAB (12 seats)	4	5	2	1	0
Strategy & Resources EAB (12 seats)	4	4	2	1	1
Guildford Joint Committee (10 seats)	4	3	2	1	0
Licensing Committee (15 seats)	5	5	4	1	0
Overview & Scrutiny Committee (12 seats)	4	4	2	1	1
Planning Committee (15 seats)	5	5	3	1	1
Joint Appointments Committee (3 seats)	1	1	1	0	0
Total no. of seats on committees	30	30	18	7	4

Reason:

To enable the Council to comply with Council Procedure Rule 23 in respect of the requirement to review as soon as reasonably practicable the allocation of seats on committees whenever there is a change on the political constitution of the Council.

CO83 SELECTION OF THE MAYOR AND THE DEPUTY MAYOR 2022-23

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

RESOLVED: That Councillor Paul Spooner be elected chairman of the meeting for this item of business.

The Deputy Mayor, Councillor Dennis Booth and Councillor Masuk Miah both left the meeting.

Councillor Spooner in the chair.

The Council considered a report on nominations received for election of Mayor and appointment of Deputy Mayor for the municipal year 2022-23. The Executive had also considered the report at its meeting on 23 November 2021 and had commended the nominations of Councillors Booth and Miah respectively for Mayor and Deputy Mayor in 2022-23.

Upon the motion of the Deputy Leader of the Council, Councillor Julia McShane, seconded by the Lead Councillor for Resources, Councillor Tim Anderson, the Council

RESOLVED:

- (1) That the Deputy Mayor, Councillor Dennis Booth be nominated for the Mayoralty of the Borough for the 2022-23 municipal year.
- (2) That Councillor Masuk Miah be nominated for the Deputy Mayoralty of the Borough for the 2022-23 municipal year.

Reason:

To make early preparations for the selection of the Mayor and Deputy Mayor for the municipal year 2022-23.

The Deputy Mayor, Councillor Dennis Booth and Councillor Masuk Miah both returned to the meeting, and the Deputy Mayor resumed the chair.

CO84 NOTICE OF MOTION A: ENDING VIOLENCE AGAINST WOMEN AND GIRLS

The Council

RESOLVED: That the motion be withdrawn.

CO85 NOTICE OF MOTION B: PENSION FUND DIVESTMENT FROM FOSSIL FUELS

The Council

RESOLVED: That the motion be withdrawn.

CO86 MINUTES OF THE EXECUTIVE

The Council received and noted the minutes of the meetings of the Executive held on 24 August, 21 September, and 26 October 2021.

CO87 COMMON SEAL

The Council

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

The meeting finished at 8.47 pm

Signed
Mayor

Date

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Council Report

Ward(s) affected: n/a

Report of Joint Chief Executive (Head of Paid Service)

Author: Francesca Chapman, Lead Specialist HR

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Lead Councillor responsible: Julia McShane

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Date: 9 February 2022

Pay Policy Statement 2022-23

Recommendation to Council

That the Pay Policy Statement for the 2022-23 financial year, attached at Appendix 1 to this report, be approved.

Reasons for Recommendation:

To comply with the Localism Act 2011 (Section 39) and associated guidance.

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

1. Purpose of Report

1.1 Under Section 39 of the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year ahead. This report seeks approval for a statement covering 2022-23, which is set out in **Appendix 1**.

2. Strategic Priorities

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

3. Background

3.1 The Localism Act 2011 (the Act) includes a clear expression of the Government's desire that taxpayers can access information about how public money is spent on their behalf. It translates this into a requirement for improved transparency over both senior council officers' pay and that of the lowest paid employees. To

support this, the Act requires us to publish an annual pay policy statement and Council approved the first of these annual statements in 2012.

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

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

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

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

3.3 The Joint Chief Executive (who is employed by Waverley Borough Council and shared with Guildford Borough Council) has delegated authority, in consultation with the Leader of the Council, to agree any pay award for staff below Corporate Management Team so long as it is within the budget approved by Council.

4 Updates made to the current Pay Policy Statement

4.1 The Pay Policy Statement reflects the current Senior Management structure following the creation of the shared Chief Executive post across both Waverley and Guildford Borough Councils (as referred to in Section 5.2 of the Statement). This structure consists of three Directors reporting to the Joint Chief Executive, and Service Leaders reporting to either Directors or Heads of Service. As the Joint Chief Executive is employed by Waverley Borough Council the Pay Policy Statement does not include data for this post and reference to the deleted Managing Director post have been removed.

4.2 We will continue to pay at the Real Living Wage for outside London, as referred to in Section 6.2 of the Statement, which increased to £9.90 per hour on 15 November 2021, at the bottom of our pay scale. This will aid recruitment difficulties in attracting and retaining key staff.

5 Equality and Diversity Implications

- 5.1 The Council's duty under section 149 of the Equality Act 2010 is to have due regard to the matters set out in relation to equalities when considering and making decisions. The Pay Policy Statement is designed to bring fairness and equality to the application of pay and remuneration within the Council. There are no direct equality impacts associated with agreeing the Pay Policy Statement itself.

6. Financial Implications

- 6.1 All of the financial elements of the Pay Policy Statement are included in the 2022-23 draft budget to be considered and approved by Council separately at its meeting on 9 February 2022.

7. Legal Implications

- 7.1 The Pay Policy Statement is a requirement of section 38 (1) of the Localism Act 2011 that sets a statutory duty on Local Authorities annually to publish a statement approved by Council by the end of the financial year and relating to the new financial year. Failure to comply could lead to a legal challenge to the Council and therefore it is important that the statement reflects the Act and all the associated statutory guidance.
- 7.2 During 2022-23, we will continue to monitor and review all aspects of the Pay Policy Statement in the light of relevant legislation, statutory guidance, best practice and the changing landscape of pay policy in local government and the wider public sector. This will ensure that future statements continue to meet the changing business needs and future challenges facing the Council.

8. Human Resource Implications

- 8.1 The Pay Policy Statement clearly relates to human resource management issues. We have fully considered and planned for these during 2022-23. The application of this statement and its requirements will be applied to staff consistent with the Council's HR policies and procedures and the relevant legislation applicable at the time. There are therefore no additional human resource implications to publishing the Pay Policy Statement itself.

9. Conclusion

- 9.1 The Pay Policy Statement is required to comply with legislation and also supports our long-standing approach of openness and transparency about pay.
- 9.2 The Council is fulfilling its obligation by adopting and publishing the Pay Policy Statement for 2022-23.

10. Background Papers

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act Supplementary Guidance

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

11. Appendices

Appendix 1: Pay Policy Statement 2022-23



PAY POLICY STATEMENT FINANCIAL YEAR 2022-2023

1. Introduction

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

2. Purpose

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

3. Legislation

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

3.2 It also takes account of:

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

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

4. Overall approach to pay

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

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

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

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

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

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

5. Remuneration of senior management

- 5.1 This section covers the remuneration of our most senior employees, who are responsible for working with elected councillors to determine the overall strategic direction of the Council. They develop and manage a wide range of services to ensure they are economic, efficient and effective and have appropriate governance arrangements. In the context of this policy, senior management is defined as:
- the Council's Monitoring Officer (that is the officer responsible for ensuring the Council's compliance with the law in all its activities)
 - Directors (first tier officers)
 - officers who are directly accountable to our first tier officers for the management and provision of individual elements of the Council's services (second tier officers)
- 5.2 The Council shares a Joint Chief Executive with Waverley Borough Council who is also the joint Head of Paid Service for both Councils, and is employed by Waverley Borough Council. Therefore, that role is not within this council's Pay Policy, but is within Waverley's. The Joint Chief Executive's terms and conditions of employment are determined by Waverley Borough Council and an annual pay award is determined by the Joint Appointments Committee. The costs are shared equally across the two councils.
- 5.3 In terms of pay differentials, we recognise that our Directors undertake a senior, collective and corporate responsibility for supporting the Chief Executive in delivering high quality services to our communities. We have reflected this in the level of remuneration for these roles.
- 5.4 Below this level, we recognise that the demands on and accountabilities of different management roles vary considerably, and we seek to align pay levels with the relative importance and responsibilities of jobs using the Greater London Provincial Council (GLPC) job evaluation scheme.
- 5.5 Annual salary levels for our senior management are set in accordance with the overall principles set out in section 4 above. For our Directors and second tier officers, salaries consist of grade ranges that are determined locally. These grade ranges consist of a number of incremental salary points, through which

employees may progress, subject to satisfactory performance, until they reach the top of the grade.

- 5.6 The salary ranges for our senior management posts are summarised in the following table. The pay award for 2022 has not yet been determined and will be implemented on 1 July 2022:

Senior role	Salary range
Director	£86759 - £99686
Second tier officers as defined in section 5.1	£52705 - £77581

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

Element of remuneration					
<p>Deputy Head of Paid Service payment: Our Directors have a shared responsibility to deputise for the Head of Paid Service in his absence. An annual payment of £3260 will be made to each Director to reflect these additional responsibilities.</p>					
<p>Acting-up or payment for additional responsibility: Where employees are required to act-up into a higher-graded post or take on additional responsibilities beyond those of their substantive post, for a temporary or time-limited period, they may receive an additional payment in recognition of the extra responsibilities. Before we make any such payment, we will assess whether the additional work entailed is sufficiently demanding to warrant an additional payment.</p> <p>Our policy is to make a payment to those senior management officers for additional responsibilities in respect of statutory roles as follows:</p> <p>Section 151 Officer (Chief Financial Officer) - £5,300 per annum Monitoring Officer - £5,300 per annum Deputy Monitoring Officer - £1,500 per annum Deputy Section 151 Officer - £1,500 per annum Data Protection Officer - £3,000 per annum Senior Information Risk Officer and Senior Authorising Officer for RIPA - £3,000 per annum</p> <p>These payments will not be reduced where there is a requirement for two officers to share the responsibilities of Deputy Monitoring Officer and/or Deputy Section 151 Officer.</p>					
<p>Car provision: We offer a subsidised lease car scheme to our senior employees at pay band 9 and above. Below shows the level of subsidy for our senior management for 2022-2023:</p> <table> <tbody> <tr> <td>Directors</td> <td>£5765</td> </tr> <tr> <td>Head of Service and Band 10</td> <td>£4671</td> </tr> </tbody> </table>		Directors	£5765	Head of Service and Band 10	£4671
Directors	£5765				
Head of Service and Band 10	£4671				

Band 9	£3392
<p>We insure any vehicle provided, however, the employee is required to pay the excess should any claims be made. If senior management employees do not take up their lease car entitlement and use their own car for travel on Council business, we compensate them in the same way as other employees who are authorised to use their own car on Council business. This is in accordance with the provisions and rates for Essential Users agreed by the National Joint Council for Local Government Services.</p>	
<p>Lump sum payments: We pay lump sum allowances to the Directors, Heads of Service and employees on Band 10 level to cover travel, subsistence or other incidental costs. The sum ranges from £534 up to £1803 per annum for employees who have taken up their lease car entitlement, with adjustments made if employees choose to use their own cars as an alternative to taking up their lease car entitlement.</p>	
<p>Health Screening We fund biennial health checks for our Directors.</p>	

6. Remuneration of our lowest paid employees

- 6.1 This section outlines our policy in relation to the remuneration of our lowest-paid employees. We define our lowest paid employees as those paid on the lowest grade, that is Band 1, of the Council's pay and grading structure, currently starting at £19,100 per annum.
- 6.2 In setting pay levels and determining any pay award, we take into account the needs of our lowest paid employees. For example, we pay a minimum of £5.00 per hour for apprentices rather than the minimum national hourly rate of £4.15.

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

7. Pay relationships

- 7.1 This section sets out our overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation including the Council's current pay multiple. The 'pay multiple' is the ratio between the highest paid salary and the median average salary of our workforce.
- 7.2 The Council's current pay multiple (as at December 2021) is 1:3.45.
- 7.3 We consider that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

8. Remuneration on appointment and re-employment

- 8.1 All newly appointed staff normally start on the lowest point in the pay range for their job evaluated post. Successful candidates may be appointed at a higher point, where it is considered that they already possess the skills and experience needed to justify a higher salary.
- 8.2 In certain circumstances, should a new employee, including senior management need to move house in order to take up an appointment with the Council, we will reimburse their removal, legal and other associated relocation costs. This is in accordance with the Council's Relocation Scheme that sets maximum limits on the levels of payment and requires repayment in part or in full if the employee leaves the Council within five years of appointment. Occasionally the Council may agree a more flexible arrangement if the appointment is on a fixed-term basis.
- 8.3 The Repayment of Public Sector Exit Payment Regulations are likely to be implemented during 2022. Under these regulations termination payments made to staff on salaries above £80,000 per annum will be fully or partly recovered if those staff are re-employed within the public sector within the 12 months following the date of their termination. This restriction affects the posts of Directors. The Council can agree to waive the recovery payment in exceptional circumstances.
- 8.4 In the event that we employed a senior manager who is already in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the the Local Government Pension Scheme (Administration) Regulations 2008 must be applied. These currently provide that there will be no abatement of pension in these circumstances.

9. Pay progression and award

- 9.1 The Council's pay policy is based on a locally determined pay and grading structure that comprise of pay bands with a number of incremental points. An employee's pay progression will normally be one increment (pay spine column point within a band) on 1 July each year, until the top of the grade band is reached. Pay progression is subject to satisfactory performance and behaviours that are assessed as part of the Council's performance review process. There is no scope for accelerated progression beyond one increment per annum or for progression beyond the top of the pay band.
- 9.2 We review salaries in the light of pay movements for other employees, pay movement elsewhere, and other changes in the economy, to determine whether any general or cost-of-living pay award is necessary or justified.
- 9.3 Depending on the Council's financial situation, we may agree a cost-of-living increase for all staff from 1 July each year or there may be no increase at all. No pay award was made in 2021-2022.
- 9.4 We do not pay any bonuses or non-consolidated performance contribution payments.

10. Payment upon termination of employment

- 10.1 Senior management who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other

employee, based on entitlement within their contract of employment, their general terms and conditions and existing policies.

- 10.2 Any termination or severance payment we make to any of our employees (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable.
- 10.3 Statements of policy on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations do not amount to any contractual commitment to individual employees on future severance payments.

11. Remuneration policies common to all employees

- 11.1 The following elements of remuneration are determined by corporate policies or arrangements that apply to all permanent staff regardless of their pay level, status or grading within the Council:
- **Contracts:** Our standard policy is to engage employees on standard contracts of employment and to apply pay-as-you-earn (PAYE) taxation arrangements to all remuneration under those contracts in accordance with HMRC rules, unless there are exceptional circumstances approved by the Directors, such as a contract for service which mean that an alternative mode of engagement is appropriate.
 - **Engagement of workers through intermediaries:** Where individuals are working for the Council through an intermediary such as their own limited company or a consultancy firm, or an employment agency, and are working in the same way as our own employees, the payer will be liable to pay associated income tax and National Insurance Contributions (NICs). Genuinely self-employed workers will not be covered by this requirement (commonly known as IR35) and will continue to make their own assessment and payment arrangements for income tax and NICs
 - **Pension Scheme:** Employees have a right to join the Local Government Pension Scheme (LGPS) in accordance with the statutory provisions of the scheme. The percentage an employee pays is based on individual earnings and ranges from 5.5 per cent to 12.5 per cent of pay. The employer's contribution rate for all staff that join the scheme is currently 17.2 per cent of salary.
 - **Flexible retirement:** The LGPS regulations permit us to offer flexible retirement to all employees aged 55 or over, so that they can reduce their hours of work and/or their level of responsibility, and receive some or all of their pension benefits. We would expect to see a reduction of 40-50 per cent in salary through either reduced hours or responsibility.
- 11.2 The other elements of remuneration we offer to all our employees, in addition to those already outlined in section 5, are set out in the following table.

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

Payment of professional subscriptions or membership fees:

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

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

Evening meeting allowance

Employees below Band 10 who are required to attend Council meetings in the evening can claim an allowance which increases if the meeting continues beyond 9.30 pm.

Subsistence or other expenses allowance:

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

Provision of mobile telephones:

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

Fees for Election duties:

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

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

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

Child care:

A childcare salary sacrifice scheme is available to those employees who are eligible via the HMRC-approved scheme. We make no direct subsidy towards childcare costs.

Staff loans

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

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

Private medical insurance:

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

Other staff discount and benefits schemes:

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

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

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

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

12. Decision making on pay

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

12.2 Depending on the economic climate and the Council's current financial situation, we may agree a cost-of-living increase for all staff. The Chief Executive in consultation with the Leader agrees the award provided it is within the available budget. The Council agrees any increase for the and the

Directors.

- 12.3 The provisions of this Pay Policy Statement will apply to any determination made by the Council in the relevant financial year in relation to the remuneration, or other terms and conditions, of our senior managers and of the lowest paid employees, as defined in this statement. We will properly apply and fully comply with the provisions of this pay policy in making any such determination.
- 12.4 Any proposal to offer a new senior appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, fees, allowances and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the Council for approval. This will be before any offer is made to a particular candidate.
- 12.5 Any proposal to make a termination payment above £95,000 will be referred to the Council for approval and will only be agreed in exceptional circumstances. In the event of such a payment being proposed, a detailed breakdown of the components (for example redundancy pay, pension, pension strain, severance payment) will be provided for councillors.

13. Review and policy amendment

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

14. Publication of and access to information

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

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Council Report

Ward(s) affected: All

Report of Director of Resources

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Date: 9 February 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 £118 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.

This report has also been considered by the Joint Executive Advisory Board at its meeting on 10 January 2022, and by the Corporate Governance and Standards Committee at its meeting held on 20 January 2022. The comments from both these meetings are summarised in sections 16 and 17 of this report respectively.

At its meeting on 25 January 2022, the Executive also considered this report and endorsed the recommendation to Council set out below. The Executive also resolved:

Subject to Council approving the budget on 9 February 2022:

- 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 capital vision and come back with an updated business case
 - c) Sports Pavilions replacement 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 the 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):

- 1) That the General Fund and HRA capital estimates, as shown in Appendices 3 to 12, as amended to include the bids 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 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	-	-	-
	1,890	71	-	-	-
<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	-
	4,223	2,900	7,449	3,402	250

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				
Total General Fund	4,869	1,948	2,500	5,000	3,000	17,317	0	0	17,317
Total funded from reserves	445	5	0	0	0	450	0	(450)	0
Total HRA	32,550	950	0	0	0	33,500	0	(33,500)	0
Gross total	37,864	2,903	2,500	5,000	3,000	51,267	0	(33,950)	17,317
Funded by reserves or contributions	(32,995)	(955)	0	0	0	(33,950)			
Cost to the Council	4,869	1,948	2,500	5,000	3,000	17,317			
Already in programme	(780)	0	0	0	0	(780)			
Net addition to the programme	4,089	1,948	2,500	5,000	3,000	16,537			

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)
	8,695	4,198	10,099	8,402	3,250	10,100
						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
over / (under) affordable level	1,568	(1,019)	4,639	2,775	(2,540)	(14,826)

- 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, for the development of 40 units, has an 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 consider 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 meet 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.

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
General Fund Capital Expenditure								
- 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
Total Expenditure	148,298	59,736	(88,562)	151,921	121,102	45,839	45,383	29,642
Financed by :								
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)
Financing - Totals	(148,298)	(59,736)	88,562	(151,921)	(121,102)	(45,839)	(45,383)	(29,642)
Housing Revenue Account Capital Expenditure								
- 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
Total Expenditure	52,105	15,761	(36,344)	59,930	64,473	25,600	18,915	49,575
Financed by :								
- 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)
Financing - Totals	(52,105)	(15,761)	36,344	(59,930)	(64,473)	(25,600)	(18,915)	(49,575)

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)
Internal (Over) Borrowing	16,912	171,480	270,450	391,174	440,202	459,497	493,085
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
(Investments) / New Borrowing	(158,573)	31,834	126,120	287,111	337,825	351,789	410,521
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
Liability Benchmark (year-end)	197,362	269,269	363,555	514,546	555,260	559,224	608,406

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

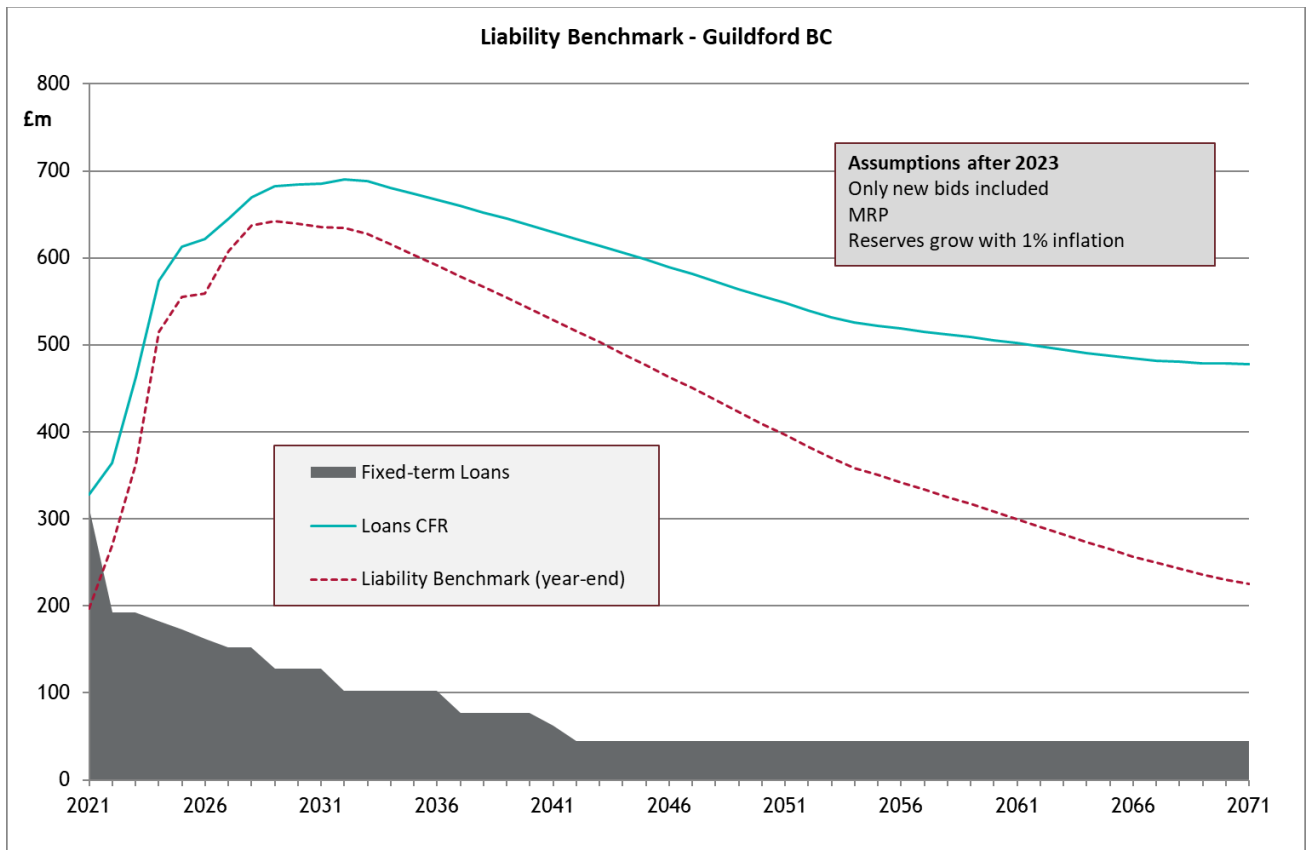
Housing Revenue Account - Summary and Projections in £000							
31st March:	2021	2022	2023	2024	2025	2026	2027
HRA Loans CFR	199,204	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(120,991)	(85,023)	(90,827)	(51,367)	(49,649)	(54,947)	(29,925)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing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

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
GF Cash Balance	(44,351)	102,498	192,588	294,119	323,114	332,376	356,087

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
Total	477,190	394,910	493,880	604,610	643,640	652,930	676,520

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
Total	531,090	447,810	552,580	665,310	711,140	723,630	749,020

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.

	2022-23	2023-24	2024-25	2025-26
	Budget	Budget	Budget	Budget
	£000	£000		
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
Total Investments	266,333	230,430	225,129

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. Joint Executive Advisory Board comments

- 16.1 At its meeting on 10 January 2022, the Joint Executive Advisory Board considered the report, including the new bids. They Board made the following comments:

Guildford Economic Regeneration (GER) Programme

This programme, which consisted of the delivery of a proactive strategy incorporating a master plan for the comprehensive economic and physical regeneration of Guildford town centre, involved expenditure in the region of £3 million over a two year period. In response to some expressed concern, the Joint EAB was assured that full consultation would be undertaken in respect of each element of this long term scheme, such as flooding, transportation, and delivery of homes. Early work was likely to involve flood remediation measures. Once the current work in this regard had been progressed to a sufficient stage with

evidence of the intention to pursue the programme, available grants would be applied for to provide the necessary funding.

Stoke Park Paddling Pool

This bid sought capital funding to replace the Stoke Park paddling pool rubber crumb surface during April 2022 to enable the paddling pool to be operated for the next season and beyond. Full support was expressed for the safe and hygienic continuation of this service which was highly valued by many families. A query as to whether the service would be open from the commencement of the season for use of the pool would be referred back to relevant officers for a response.

Albury Closed Burial Grounds

There was a statutory obligation and health and safety reasons to maintain the heritage boundary wall of the closed burial ground at the old parish church of St Peter and St Paul, Albury. Whilst these were recognised, some concern regarding the related level of expenditure, involving the engagement of specialist architects, was expressed in the light of the Council's Savings Strategy. It was confirmed that the burial ground was closed to new burials and not to visitors of the existing burials. Queries around the timing of the bid to undertake the maintenance work and the estimated cost of the wall repairs could be referred to relevant officers for a response and explanation of the amount of the budget bid.

Chilworth Gunpowder Mills

Recent renovation and repair work at the Gunpowder Mills had led to the discovery of a significant defect with a stone culvert and spillway beneath the main access path into the site. The possibility of temporarily or permanently closing this site was suggested in reflection of the Council's financial constraints which limited its ability to address the related health and safety liability which would render the Council culpable in the event of any injuries. Councillors were reminded of the outcome of the recent public consultation which had indicated that investment in respect of the Borough's heritage was the lowest priority for residents. However, owing to the numerous points of access to the site, it was not possible to close it to the public and therefore the investment in securing health and safety measures was considered unavoidable. The historic artefacts at the site were felt to be incidental to visitors to the site who were mainly walkers.

Fleet Replacement Programme

Whilst acknowledging the environmental benefits of replacing fleet vehicles with new electric models that contributed to climate change targets, the possibility of delaying the replacement of refuse vehicles was raised in view of the significant purchase cost of £2.5 million.

The Joint EAB was advised that the Fleet Team historically operated on the basis of a rolling programme of vehicle replacement, and it was unfortunate that vehicles due for replacing in the next financial were costly refuse lorries. It was

suggested that the Council did not need to continue the rolling programme and should consider alternatives such as retaining vehicles for longer and adopting a maintenance plan to extend their life. Although new vehicles would be less costly to maintain, their value depreciated rapidly. There was also the question of what style and power source of refuse vehicles would be required in the future as refuse and recycling circumstances changed and it was suggested that further research should be undertaken prior to expending funds in respect of vehicle purchases.

One councillor was of an opposing view and advised that this process aimed to earmark a capital provision which did not necessitate the expenditure of funds if the exacting tests were not met. As environmental circumstances and technologies were constantly changing, it was difficult to identify a correct time to purchase new vehicles. Although the Council's financial pressures lay in its Revenue Account and new vehicle purchases would be funded from the Capital Programme, the expenditure of capital would have revenue implications. Any borrowing would not be sought until the Council had fully established its borrowing needs. It was recognised that there was a market in respect of second-hand reconditioned refuse vehicles which was possibly an economic alternative to purchasing new vehicles.

Another factor was whether this Council continued an in-house waste and recycling collection service or formed a closer collaboration in this area with Waverley Borough Council which operated an outsourced approach. However, it was advised that it would be approximately six years before Waverley's contract expired and there was doubt that this Council's current refuse vehicles could be operated for that length of time without replacement.

The Lead Councillor assured the Joint EAB that, in order for expenditure of this amount to be approved, challenges and rigorous justification tests would be undertaken. The Joint EAB thanked the Lead Councillor for his assurances and confirmed the need for more research, understanding and rigorous testing prior to any expenditure commitment being made.

YMCA Lighting

The present lighting at the YMCA steps was poor and the Joint EAB indicated its support for this proposal to improve the lighting on health and safety and public access grounds.

Millmead House Lifts

The present lifts at New Millmead House, which with some past upgrading were in the region of 40 years old, were failing and in need of further upgrade. Under the Equalities Act, the Council was required to provide safe and reliable lifts. The Board questioned whether it would be possible to continue without upgrading the existing lifts for a further period of time to delay incurring the significant associated costs, particularly in view of the number of staff currently working from home and the resulting diminished use of the lifts.

The Board was advised that the Council was obliged to ensure that disabled people were not disadvantaged by inoperable lifts. Also, as the Council was actively seeking to lease office floorspace to new tenants as a form of income, malfunctioning lifts were not a feasible option. These factors were acknowledged by the Joint EAB, and it was suggested that communications with the public should stress that, whilst the Council was seeking to avoid unnecessary expenditure, investment in some projects such as this was required.

Yorkies Bridge Lighting

Yorkies Bridge and the approaches to it were currently lit by poor and constantly failing lighting. Therefore, this bid to improve the lighting at Yorkies Bridge, which was heavily used by students and local residents, was supported and would be appreciated by users.

Memorial Wall

This mandate sought a capital bid to complete a Memorial wall and garden, landscaping, and associated ground works at Guildford Cemetery. Whilst the Joint EAB was reluctant to endorse this level of spending in respect of memorial facilities, it supported the bid to avoid the distress that may be caused to bereaved people in the absence of such facilities.

Cemetery Tarmacking

Funding to undertake tarmacking and curbing in two cemeteries, namely, The Mount and Stoke Cemetery, was sought. This bid was supported in the interests of health and safety, meeting statutory obligations and improving the journey for loved ones travelling to the cemeteries.

Castle Multi-Storey Car Park / Car Park Lighting

It was hoped that maintenance repairs to the architectural 'turrets' on each corner of the above Car Park structure and car parking lighting schemes relating to Castle, York Road, Leapale Road and Farnham Road Car Parks could be funded from the Car Park Maintenance Reserve, and possibly from Salix Government funding in the case of the latter.

The same officer would pursue all the lighting schemes to achieve a co-ordinated approach in the interests of efficiency in the event that the related bids were approved. It was not anticipated that Surrey County Council would be in a position to contribute funding towards the lighting projects and would only provide and maintain street lighting for new residential developments.

HRA Maintenance Programme

Councillors noted the details of the HRA Maintenance Programme, which totalled £24.5 million to be funded from HRA resources, and that the Table in Appendix 15 to the report would be updated to reflect additional funds for development projects to be added.

The Joint EAB's comments in respect of the bids would be added to the report and the Board indicated its support for the recommendations to the Executive and Council contained in the report, including the deletion of some named schemes from the Capital Programme.

Mandate Proposal to Upgrade or Replace Housing Management and Asset Software Management Systems

The Head of Housing introduced the proposal advising that the mandate had been developed around the replacement of the ICT system currently utilised for managing the Council's housing stock of approximately 5,200 properties. The existing system consisted of two elements, namely, Orchard, the current and main Housing Management System which had been operated by the Council for more than 20 years, and Keystone, which was utilised in tandem with Orchard as the Housing Property Asset Management System. This mandate covered both systems which worked independently of each other.

The strategic options available to the Council to deliver a solution were:

Option 1 – Pursue a new combined solution procurement exercise to either replace existing systems with a new combined housing and asset management system or undertake a full upgrade of both current systems with innovative solutions.

Option 2 - Upgrade the Orchard system in the short term and replace Keystone with Cx Asset Management entering both onto the Council's new network. Such an upgrade would require data clean-up data and information together with further updates / upgrades which would make ready the system in preparation for any future procurement exercise to update the system later.

Option 3 – Do nothing leading to use of unsupported and obsolete systems and processes without compliance with the General Data Protection Regulation or procurement guidance.

Based on consideration of the information available, the mandate recommended Option 1 as the Option to be progressed.

In response to a councillor's query regarding the alignment of the proposed ICT systems with others within the Council, the Joint EAB was advised that it was the intention to introduce a system which interfaced with a range of other systems, including those of the Council and its contractors, in areas including gas, electricity, and property repair and maintenance. This would enable the transfer of data and information between systems to provide a single integrated approach.

Whilst the Joint EAB did not express any particular view regarding the options contained in the mandate, it was generally supportive of the proposal to move towards a new modern integrated system.

17. Corporate Governance and Standards Committee comments

17.1 At its meeting held on 20 January 2022, the Corporate Governance and Standards Committee considered this report and endorsed the recommendations to the Executive and full Council. The Committee made the following points during the debate on the matter:

1. Whether the spending objectives for evaluating the benefits of capital schemes should include 'impact on the environment' in the context of the Council's Climate Emergency declaration. In response, officers indicated that this would be taken on board for future consideration. The Committee would also like to see more capital projects coming forward that addressed issues relating to the Climate Emergency.
2. In response to an enquiry as to the risks associated with increasing inflation, especially with regard to affordability, borrowing, and the effects of slippage in the capital programme, officers acknowledged that inflation was a real concern and that provision for this should be made in the Council's Corporate Risk Register. The Council did not inflate its capital schemes as a matter of course, but it was noted that the tendering process mitigated some of the impact of inflation.
3. In response to an enquiry as to why it was proposed to fund the upgrade/ replacement Housing Management and Asset Software Management Systems from the HRA, it was explained that these systems were used to administer properties within the HRA.
4. In noting that the interest receivable had been calculated before base rates had increased, a question arose as to whether interest payable and the affordability of the Council's borrowing had been factored into the future cost of borrowing. In response, officers drew attention to the fact that most of the Council's borrowing would theoretically come from the Government's Public Works Loan Board, which was based on gilts that fluctuated. However, the majority of the borrowing was currently fixed on the HRA, with an assumption of a higher interest rate of 2.5% for the GF element.
5. It was noted that the Council did not have a dedicated officer responsible for identifying possible sources of grant funding. Although the Council had signed up to GrantFinder, with limited success, external funding towards major projects had been sourced on a project-by-project basis mainly from government – for example via the LEP and housing infrastructure funds.
6. In response to continuing concerns over delays progressing schemes in the HRA Capital Programme, officers acknowledged the slippage in both the GF and HRA Capital Programmes, which had been monitored over a number of years. The Committee was reminded of the measures the Council had put in place to address this matter including the introduction of the PPM governance framework for projects, and the new Major Projects team introduced following Future Guildford. In relation to the HRA Capital

Programme, officers had sought to develop a broad portfolio of schemes of varying types, size, and structure in order to overcome this issue.

7. Query as to whether the proposed capital expenditure of £24.5 million in 2022-23 on maintaining the existing housing stock was absolutely necessary given that most bathrooms, kitchens, and roofs normally functioned beyond a ten-year life cycle, and whether the Council should have a process of looking at what actually needed to be replaced. In response, officers advised that decisions were based on data gathered from stock condition surveys, together with guidance following changes in legislation post Grenfell. In addition, there was an urgent need to address requirements for smoke detection, fire alarm, and carbon monoxide systems. The Committee also noted that the Council followed the Decent Homes Standards in managing its housing stock, which required certain elements to be replaced after a specified period of time. Finally, it was noted that due to the age of the stock and given that a number of elements had been undertaken 30 years ago, it was now necessary to undertake these replacement works.
8. In response to a request for clarification on “pipeline bids”, officers confirmed that the Council had a long list of schemes that over a period of time had been reviewed and, following further discussions with Planning officers, viability work had been carried out. Following that work, some schemes had been brought forward for implementation.

18. Summary of Options

- 18.1 Officers have detailed the options within each new capital bid / mandate
- 18.2 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:

Alternative	Impact on Income / Expenditure	Impact on risk management
Invest in a narrower range of counterparties and / or for shorter times	Interest income will be lower	Lower chance of losses, from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and / or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to higher impact in the event of a default; however, long-term interest costs may be more certain

Alternative	Impact on Income / Expenditure	Impact on risk management
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

19. Conclusion

- 19.1 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.
- 19.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £315 million by 31 March 2026.
- 19.3 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.

20. Background Papers

None

21. 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
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- Appendix 11: HRA provisional capital programme
- Appendix 12: HRA summary of resources
- Appendix 13: Treasury Management Policy Statement
- Appendix 14: Money Market Code Principles
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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%
Total assets		1,078,734	1,187,130	
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%
Total liabilities		(387,410)	(515,730)	
Net assets		691,324	671,400	

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.

	2020-21 Actual ('000)	2021-22 Outturn ('£000)	2022-23 Estimate ('£000)	2023-24 Estimate ('£000)	2024-25 Estimate ('£000)	2025-26 Estimate ('£000)
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:

Indicator	Description
Debt to net service expenditure (NSE) ratio	Gross debt as a percentage of net service expenditure
Commercial income to NSE ratio	Dependence on non-fees and charges income to deliver core services. Fees and Charges are to be netted off gross service expenditure to calculate the NSE
Investment cover ratio	The total net income from property investments, compared to the interest expense
Loan to value ratio	The amount of debt compared to the total asset value
Target income returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties
Benchmarking of returns	As a measure against other investments and against other 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
Investments		
<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
Total investments managed in-house	141,650	192,480
<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
Total pooled funds investments	17,750	18,332
Total Investments	159,400	210,812
Borrowing		
Temporary borrowing	163,772	196,500
Long-term borrowing (PWLb)	147,435	147,435
Total borrowing	311,207	343,935
Net investments / (borrowing)	(151,807)	(133,123)

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
General Fund Capital Expenditure								
- 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
Total Expenditure	148,298	59,736	(88,562)	151,921	121,102	45,839	45,383	29,642
Financed by :								
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)
Financing - Totals	(148,298)	(59,736)	88,562	(151,921)	(121,102)	(45,839)	(45,383)	(29,642)
Housing Revenue Account Capital Expenditure								
- 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
Total Expenditure	52,105	15,761	(36,344)	59,930	64,473	25,600	18,915	49,575
Financed by :								
- 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)
Financing - Totals	(52,105)	(15,761)	36,344	(59,930)	(64,473)	(25,600)	(18,915)	(49,575)

- 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 ¹(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

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

- 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)
	8,695	4,198	10,099	8,402	3,250	10,100
						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
over / (under) affordable level	1,497	(961)	4,637	2,773	(2,541)	(14,833)

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)
Internal (Over) Borrowing	16,912	171,480	270,520	391,257	440,300	459,611	493,217
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
(Investments) / New Borrowing	(158,573)	31,834	126,190	287,194	337,923	351,903	410,653
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
Liability Benchmark (year-end)	197,362	269,269	363,625	514,629	555,358	559,338	608,538

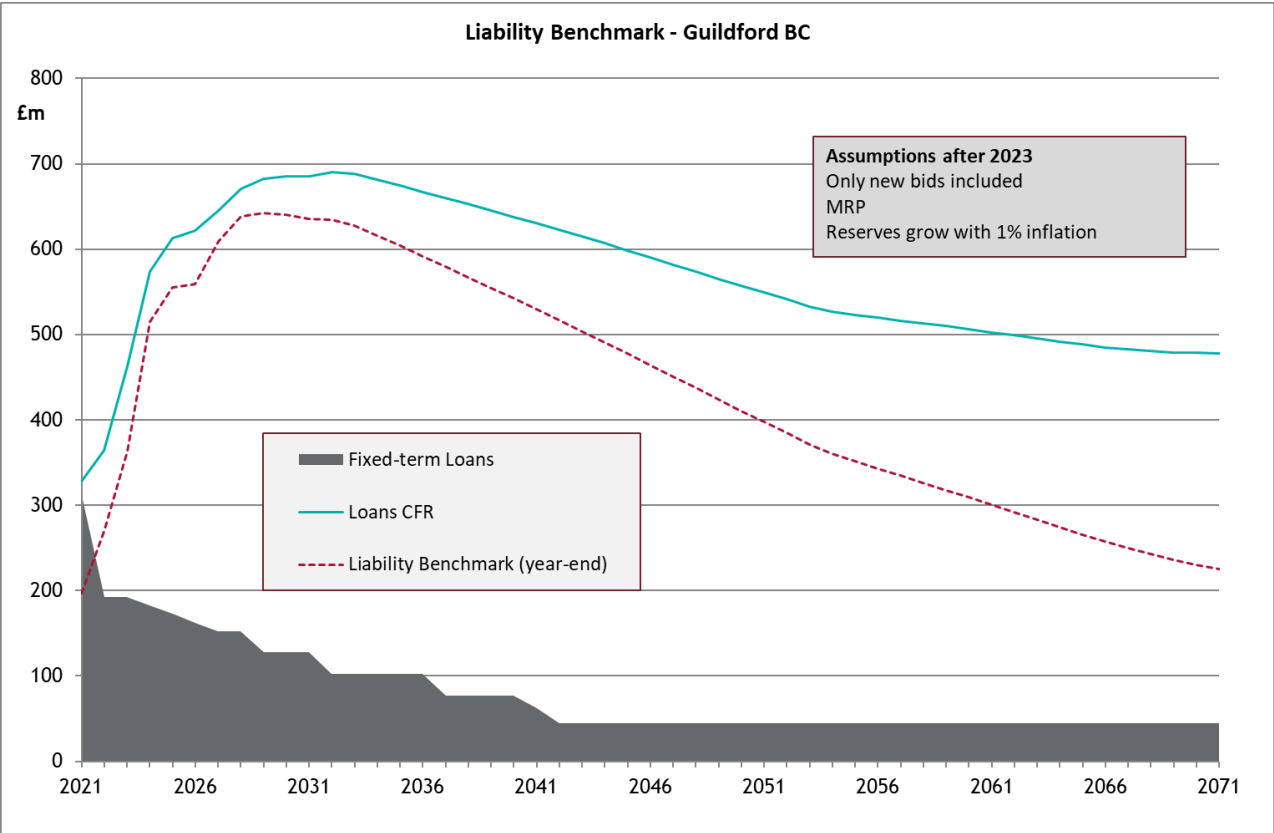
Housing Revenue Account - Summary and Projections in £000							
31st March:	2021	2022	2023	2024	2025	2026	2027
HRA Loans CFR	199,204	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(120,991)	(85,023)	(90,827)	(51,367)	(49,649)	(54,947)	(29,925)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing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

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
GF Cash Balance	(44,351)	102,498	192,658	294,202	323,212	332,490	356,219

- 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:

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

- 5.36 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						
	General fund																
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	
	Total	4,869	1,948	2,500	5,000	3,000	6,500	1,500	2,000	600	5,000	0	27,917	0	0	27,917	
	For reserves programme (approved)																
11	Castle MSCP	145	5	0	0	0	0	0	0	0	0	500	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	
	Total funded from reserves	445	5	0	0	0	0	0	0	0	0	500	450	0	(450)	0	
	HRA (For information only)																
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	
	Total HRA	32,550	950	0	0	0	0	0	0	0	0	0	33,500	0	(33,500)	0	
	Gross total	37,864	2,903	2,500	5,000	3,000	6,500	1,500	2,000	600	5,500	0	61,867	0	(33,950)	27,917	
	Funded by reserves or contributions	(32,995)	(955)	0	0	0	0	0	0	0	0	0	(33,950)				
	Cost to the Council	4,869	1,948	2,500	5,000	3,000	6,500	1,500	2,000	600	5,500	0	27,917				
	Already in programme	(780)	0	0	0	0	0	0	0	0	0	0	(780)				
	Net addition to the programme	4,089	1,948	2,500	5,000	3,000	6,500	1,500	2,000	600	5,500	0	27,137				

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Bid for Funding

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

Section A – Strategic Content

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

	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Supporting older, more vulnerable and less advantaged people in our community. <input checked="" type="checkbox"/> Protecting our environment. <input checked="" type="checkbox"/> Enhancing sporting, cultural, community and recreational facilities. <input checked="" type="checkbox"/> Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need. <input checked="" type="checkbox"/> Creating smart places infrastructure in Guildford. <input type="checkbox"/> Using innovation, technology and new ways of working to improve value for money and efficiency in Council Services.
<p>A03. How does it meet the strategic priorities outlined?</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"> • Leading to a positive impact on the supply of housing and a significant provision of affordable residential accommodation within the regeneration area • Improvement of the quality of the mix of Commercial and Community Uses in Guildford including retail, employment, tourism, cultural and leisure to increase the vitality and attractiveness of the town as a destination to visitors • Enabling Flood Alleviation / Defence Solutions that enables developable land to be created within the existing flood zones within the town centre • Improvement of Transportation with more balance towards walking, cycling, bus, pedestrian and rail with good inter modal interconnection and hub(s) • Provision of Highways solutions for routing to minimise pedestrian interface, reduction in accidents and improvements in air and noise quality without creating traffic issues in other areas within the town • Creation of a smart digital platform that is fit for the first half of the 21st Century • Delivering significant improvement in the Town Centre environmental quality for pedestrians and non-car users
<p>A04. Explain the problem that is being addressed and why the project is necessary.</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 23rd 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>A05. What are the critical success factors or KPI's of the project? ie which measures will you use to determine success?</p>	<ul style="list-style-type: none"> • Stage 3 Milestone report presented to Executive • Completion of Business Case • Grant funding applications submitted
<p>A06. What are the expected benefits or outcomes for local residents and businesses?</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>A07. Outline options considered or that will be considered for delivery of the project.</p>	<ol style="list-style-type: none"> 1. Cease current work thereby delaying the delivery of a strategy for the Economic Regeneration of Guildford town centre. 2. Continue with the establishment of the Guildford Economic Regeneration Programme to enable the production of a constraint led pro-active delivery strategy for Guildford's town centre to assist in achieving the objectives of the Councils Corporate Plan.
<p>A08. Outline project dependencies eg with other projects or partner organisations.</p>	<p>The delivery of an Economic Regeneration Programme is dependent on the consideration of all constraints and interdependencies. The plan needs to be evidence based and fully informed and validated by flood and highway infrastructure solutions and strategies relevant to current prevailing conditions (current traffic, climate change, sustainable communities, retail downturn, economic resilience) and land ownerships.</p> <p>Council Projects including Walnut tree Bridge, Sustainable Movement Corridor, Guildford Park Road 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

A09. Legal / statutory requirement?	No
A10. Legislative / statutory implications?	No
A11. Planning permission required?	No
A12. Building regulation required?	No
A13. Land acquisition required?	No
A14. Environmental consents?	No
A15. Highways / traffic consents?	No
A16. Details of other required consents.	None

Section B – The Financial Case

B01. Costs

Year	Description	Capital Value (£)	Revenue Cost Centre Code	Revenue Cost Centre Name	Revenue Account Code	Revenue Account Name	Revenue Value (£)
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.		

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

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

B05. Funding

Year	GBC Funding Request (£)	Third Party Contributions (£)	Sources of Third Party Contributions
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	Improved Income Generation	Re provision of car parks and improved park & ride facilities	2030
Transport Initiatives	Reduced Carbon	Environmental Improvements	2030

Social Value	Improved Social Benefits	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

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

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

Section D – The Commercial Case

D01. Outline any procurement requirements.	The Councils Procurement team have advised on the most appropriate routes to market for the procurement of the external professional team to ensure compliance and value for money. Consultants have been procured by Framework Competitions and Non -OJEU Invitations to tender.
D02. Outline preferred procurement route / strategy.	Compliance and best value for money will be continually reviewed throughout the 3 stages.
D03. Outline key procurement risks.	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>E04. Provide high level details of proposed project management arrangements & project team (please use post names / titles rather than naming individuals).</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>Gateway 1 Procurement of professional team High Level Strategic Appraisal of constraints & opportunities</p> <p>Consideration of Development Plan document process Report to Executive</p> <p>Gateway 2 Communications/Stakeholder engagement plan Development of options and concepts Preparation of Business Case Submission of Grant applications</p> <p>Gateway 3 Grant Funding Award Land & relocation agreements Transportation/Traffic initiatives Planning Strategy Pre- Planning application design for flood & 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 & Theobald Strategic Transport; Markides Infrastructure; Aecom</p>
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	<p>Highways; Ove Arup Planning Consultant; Carter Jonas Lawyer; Trowers & 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"> • Establishing the detail of Scope • Control of Change • Timescale • Cost, Benefits and Quality. <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"> • Setting the Project Plan • Review of the progress by Exception • Agreeing the Objectives, Scope, Quality, Timescale and Cost Controls for the Sub Project Work Streams • Procurement of the Sub Project Teams • Review and advise on the adherence to the objectives of the Project Plan and the delivery of Critical Success Factors • Strategic Advice and Recommendations regarding land transactions, revenue opportunities, stakeholder communications and Business Case financial management <p>The Scope of the Project Management Role within each sub Project Workstream will cover;</p> <ul style="list-style-type: none"> • Professional Team Management • Project Monitoring and Evaluation Reporting • Sub Project Issues and Risk Reporting • Project Controls; Budget/Cost • Change & Programme • Weighted Risk
<p>E05. Provide a brief outline of key stakeholders eg who they are and how they will be engaged.</p>	<p>A Stakeholder matrix and an initial programme of consultation with stakeholder groups will be established. Key Stakeholders include The Environment Agency, Surrey County Council, Surrey University, Guildford Vision Group, the One Estate, National Trust, Guildford Residents Association and the Civic Society.</p>
<p>E06. Will any public consultations be required? If so, provide a brief outline.</p>	<p>Public Consultations will be undertaken as part of the Engagement process. A Stakeholder matrix and an initial programme of consultation with stakeholder groups will be implemented.</p>
<p>E07. How will the project be evaluated post implementation?</p>	<p>As part of the Financial Case within the Business plan to be delivered in Stage 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>

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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"> - Endorsement of Stage 2 Report and Approval to commence Stage 3 - Endorsement of Stage 3 Report and Business Case 	<p>August 2022</p> <p>December 2023</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
<p>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.</p>
1. Why should a project be started now?
<p>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.</p>
2. What is the good idea or problem to be solved?
<p>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.</p>
3. What is the purpose of the project? What will be delivered? What are the success criteria?
<p>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'.</p> <p>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.</p> <p>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.</p> <p>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</p>

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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"> • Capital bid process (Finance) • Draft spec and evaluation documents and review and agree tender documents (Parks) • Draft the tender documents, advertise and process the tender (Procurement) • Production of a contract for the chosen contractor (Legal Services) • Selection of a contractor and project management of the works (Parks) • Communications with stakeholders (Comms Team and Parks)
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"> • The Stoke Park paddling pool is considered an important leisure facility that needs to be maintained rather than closed • We wish to minimise the revenue costs and the environmental issues of running the pool where we can.
Dependencies – <ul style="list-style-type: none"> • 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.
Constraints – <ul style="list-style-type: none"> • 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. • 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.
Opportunities – <ul style="list-style-type: none"> • 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.

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

Mandate Proposal St Peter and St Paul’s Church, Albury	
Introduction and background	
<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>	
1. Why should a project be started, or growth bid considered now?	
To fulfil the Council’s statutory obligations to maintaining closed burial grounds by substantially repairing a dilapidated boundary wall.	
2. What is the good idea or problem to be solved?	
The boundary wall to the cemetery of the church is dilapidated and in need of repair.	
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 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.	
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, fulfil a statutory obligation to maintain closed burial grounds under the Local Government Act 1972.	
5. What are the strategic options available to GBC to deliver a solution?	
<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>	
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	
<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>	
7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?	
Not applicable.	

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8. What general approach will be taken to deliver?			
<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>			
9. When and why must the work/project start?			
<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>			
10. What stakeholders will need to be involved?			
<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>			
11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?			
<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>			
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>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>			
Year	Capital Total (£)	Revenue Total (£)	Income Total (£)
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"> • 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. • 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.
<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"> • 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. • 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. • 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.
<p>14. Reviewer List:</p>
<p>Involved or sighted so far and to be updated on changes:</p> <ul style="list-style-type: none"> • Marieke van der Reijden, Head of Asset Management <p>Next to be consulted:</p> <ul style="list-style-type: none"> • Vicky Worsfold, Lead Specialist (Finance) & Deputy s151 Officer • Chris Wheeler, Head of Operational & Technical Services
<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 17th 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 & 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>

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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.

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

Mandate Proposal - Vehicle Capital Programme 2022/23
Introduction and background
<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>
1. Why should a project be started now?
This is an annual programme
2. What is the good idea or problem to be solved?
Replacement of ageing fleet
3. What is the purpose of the project? What will be delivered? What are the success criteria?
Replacement Vehicles
4. What priority, corporate objective or strategy is fulfilled by this project?
The vehicles are critical to service delivery
5. What are the strategic options available to GBC to deliver a solution?
Replace the vehicles or seek to extend those planned for replacement
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
Ian Doyle, Chris Wheeler and James Steel respectively
7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?
N/A
8. What general approach will be taken to deliver?

Standard specification and procurement process using appropriate frameworks where possible.
9. When and why must the project start?
January 2022 to ensure replacement vehicles are purchased to replace fleet vehicles identified for replacement in late 2022
10. What stakeholders will need to be involved?
Procurement, Legal and relevant services
11. What resources (internal and external) are needed to consider this mandate and to develop the business case?
All internal – Fleet, Procurement, Legal and relevant services
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?
£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
13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks
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.
14. Reviewer List:
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> • Waste Services, Fleet
Next to be consulted <ul style="list-style-type: none"> • Procurement, legal and other services needing replacment vehicles in 2022/23
15. CMT Direction
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		

12a. For projects, what are the potential resource costs to progress to the next stage/gate?
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus other staff input
13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks
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
14. Reviewer List:
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> • Operational and Technical Services • Finance • Strategy and Communications Next to be consulted <ul style="list-style-type: none"> • Assets • Legal • Procurement
15. CMT Direction
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				
12a. For projects, what are the potential resource costs to progress to the next stage/gate?				
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus other staff input.				
13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks				
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.				
14. Reviewer List:				
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> • Operational and Technical Services • Finance • Strategy and Communications Next to be consulted <ul style="list-style-type: none"> • Legal • Procurement • Assets 				
15. CMT Direction				
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.			

12a. For projects, what are the potential resource costs to progress to the next stage/gate?
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus other staff input
13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks
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
14. Reviewer List:
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none"> • Operational and Technical Services • Finance • Strategy and Communications Next to be consulted <ul style="list-style-type: none"> • Assets • Legal • Procurement.
15. CMT Direction
Next steps: Capital Growth Bid Funding approval

Capital Bid Mandate Proposal - Bereavement Services (Memorial Wall)
Author: Ann Carroll on behalf of Natasha Precious
Introduction and background
<p>This Mandate is to request Capital bid 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"> • Implement memorial structures to accommodate the different types of existing plaques/tables and new ones going forward • Landscaping of grounds around the memorial structures • Some Tarmacking and works to make safe the existing structure
1. Why should a project be started, or a growth bid be considered now?
<ul style="list-style-type: none"> • This work was an integral part of the Crematorium Redevelopment plan but was not carried through. • The Council need to be sensitive to our families who we made a commitment to providing a memorial to display their existing plaques/tablets • If we have the correct structure it can be a Potential income generator for new plaques/tablets • We also aim to follow industry ICCM standards which this will allow us to work towards
2. What is the good idea or problem to be solved?
<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>
3. What will be delivered? What are the success criteria? What is the purpose of the project?
<p>Memorial garden extension to accommodate old style memorial plaques and tablets (approx. 170) & provide additional modern memorial options for future families</p>
4. What priority, corporate objective or strategy is fulfilled by this project?
<p>Providing customer service delivery & potential revenue opportunities</p>

5. What are the strategic options available to GBC to deliver a solution?
<p>Memorial Structures & garden</p> <p>Option 1 – Implement as planned (memorial structures and garden and landscaping and ground works) which we committed to do with existing families</p> <p>Option 2 – Scale project back to just build a structure to accommodate existing tablets and plaques but will still require works and funding</p> <p>Option 3 – The Council do nothing – renege on agreement with families & would have to be compensated, also a loss of confidence in service, potential PR issues which could have further knock on to future business.</p> <p>Option 1 is our preferred option.</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>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>
7. What impact assessments have been undertaken? What are the impacts on other service leaders or projects?
<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">• Assets• Planning• Engineering• Communication/Web Teams
8. What general approach will be taken to deliver?
<p>Utilise existing resources used in the Council to fulfil the build and implementation otherwise the Council will have to look at procurement.</p>
9. When and why must the work/project start?
<p>April 2022 if funding available as there has been significant delays already.</p>
10. What stakeholders will need to be involved?
<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>

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																											
<ul style="list-style-type: none"> • Assets • Planning • Engineering • Project Management resource to assist with planning/design stages 																											
External resource required																											
<ul style="list-style-type: none"> • 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.																											
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2020/21																											
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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:																											
<ul style="list-style-type: none"> • 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:																											
<ul style="list-style-type: none"> • 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:																											
<ul style="list-style-type: none"> • 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">• if the area where the planed work to be carried out is not suitable and we cannot achieve the correct aesthetic of the design• if relevant resources are not available to manage the works that will pose further delays
<p>Opportunities – There is an opportunity to...</p> <ul style="list-style-type: none">• 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.• there is an opportunity for expanded memorial choice which is a requirement of our ICCM charter for the bereaved.
<p>Risks – There is a risk that...</p> <ul style="list-style-type: none">• 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.
<p>14. Reviewer List:</p>
<p>Involved or sighted so far and to be updated on changes:</p> <ul style="list-style-type: none">• Chris Wheeler• PPM Group• Victoria Worsfold/Michelle Rogers <p>Next to be consulted</p> <ul style="list-style-type: none">• Planning• Assets• Procurement if the Council cannot utilise existing resources.
<p>15. CMT Direction</p>
<p>Next steps: to be confirmed</p>

Capital Bid Mandate Proposal -Bereavement Services (Cemetery Tarmacking & Curbing)
Author: Ann Carroll on behalf of Natasha Precious
Introduction and background
<p>This Mandate is to request Capital bid 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>
1. Why should a project be started, or a growth bid be considered now?
<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>
2. What is the good idea or problem to be solved?
<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>
3. What will be delivered? What are the success criteria? What is the purpose of the project?
<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>
4. What priority, corporate objective or strategy is fulfilled by this project?
<p>Maintaining community/Corporate assets and obligation to the Public</p>
5. What are the strategic options available to GBC to deliver a solution?
<p>Tarmacking & re-curb at Stoke & Mount Cemeteries Option 1 – Implement as planned through planned works via engineering programme Option 2 – 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>Option 1 is our preferred option.</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"> • Engineering • Bereavement Ground Staff
<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"> • Engineering • B.S ground team • Comms/Web Teams <p>External resource required</p> <ul style="list-style-type: none"> • Engineering
<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>

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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
<p>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:</p> <p>Dawn Hudd –Strategic Services Director Marieke van der Reijden –Head of Asset Management</p>
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?
<p>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.</p> <p>The exposed nature of the work dictates that it must be undertaken between the spring and autumn months.</p>
10. What stakeholders will need to be involved?
<p>We will co-ordinate the work with our Parking team colleagues and the tenants of the roof-top restaurant.</p> <p>We will liaise with adjacent landowners and the Highways Authority to obtain the necessary permissions to erect temporary access equipment.</p>
11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?
<p>The work will be designed and 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.</p> <p>Input will be required from our Legal colleagues in connection with arranging access equipment permits and for putting the necessary works contracts in place.</p> <p>We will require the services of an external CDM coordinator to oversee compliance with the Construction (Design and Management) Regulations 2015.</p>

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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.			
TOTAL	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

Mandate Proposal – car park lighting
Introduction and background
1. Why should a project be started, or growth bid considered now?
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"> 1. Castle Car Park 2. York Road MSCP 3. Leapale Road MSCP 4. Farnham Road MSCP
2. What is the good idea or problem to be solved?
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.
3. What will be delivered? What are the success criteria? What is the purpose of the project?
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.
4. What priority, corporate objective or strategy is fulfilled by this project?
Following items will help the Council meet its priority, objectives and strategy: <ol style="list-style-type: none"> 1. Provide safe a well-lit car park meeting the Home Office safe car park scheme 2. Comply with health safety requirement by meeting required light levels 3. Provide energy and carbon reduction, in turn also reducing our energy cost 4. Ensuring emergency lights are being tested monthly and functioning
5. What are the strategic options available to GBC to deliver a solution?
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.
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 car park could mean closing the car park down as could be deemed unsafe leading loss of revenue plus more importantly the 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 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.																											
9. When and why must the work/project start?																											
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.																											
10. What stakeholders will need to be involved?																											
Car parks and its users Parking Services Comms service – to keep users aware																											
11. What resources (internal and external) are needed to consider this mandate and to develop the business case or progress this request?																											
Finance, Legal, Procurement																											
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.																											
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Choose an item.																											
12a. For projects, what are the potential resource costs to progress to the next stage/gate?																											
Electrical Engineers, procurement and legal team in producing procuring document for tender, plus car park staff input																											
13. What are the strategic Issues, Assumptions, Constraints, Dependencies, Opportunities, Risks																											
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
14. Reviewer List:
Involved or sighted so far and to be updated on changes: <ul style="list-style-type: none">• Operational and Technical Services• Finance• Strategy and Communications Next to be consulted <ul style="list-style-type: none">• Assets• Legal• Procurement
15. CMT Direction
Next steps: Capital Bid Funding approval

2022/23 DRAFT HRA Capital Programme			
Project & Category	Description	Estimate	Notes
		£	
Retentions & minor carry-forward	Retentions and minor carry forward from projects in progress up to 31 March 2022	50,000	
Refurbishment, Replacement & Renewal Programme			
Kitchen, bathroom and electrical upgrades	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.
Void Properties - major refurbishment	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
Structural works - various properties	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.
Renewal of doors and door entry systems	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.
Replacement of windows and doors	Replace life expired and unserviceable windows & doors with double glazed UPVC	500,000	Keystone asset information plus previously delayed programme
Pitched roof replacement including chimneys, fascias, soffits & rainwater gutters/downpipes	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

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Replacement of external canopies to blocks of flats	Phased replacement programme of defective canopies to block entrance doors with lightweight grp canopies	150,000	phase 2 to identified blocks and walkway
External wall insulation system to solid wall properties	Provision of external wall insulation to solid wall properties to address poor thermal insulation (year 4 of 4 year programme)	400,000	year 4 of programme - properties tbc
Compliance			
Front Entrance Door replacement to blocks of flats/supported housing	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
Electrical testing and smoke detectors	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,
Fire and CO detector servicing and upgrade programme		500,000	To undertake a fire and CO detection testing programme to meet new Govt regulatory guidance
Fire protection works following 21/22 FRAs	Prioritised repair non-urgent remedial works comprising of containment, doors upgrades/replacement, signage, etc	3,500,000	works resulting from current FRA programme
Mechanical & Electrical			
Central heating boiler upgrades. Various locations	Upgrading existing central heating installations with high efficiency systems	1,200,000	Annual programme of domestic gas boiler replacement to modernise the system in preparation for new energy fuels
Domestic Air Source Heat Pump heating systems Various locations	Replacement of aging electric heating systems with high efficiency air source heat pump central heating systems	200,000	properties tbc
Lift refurbishment.	Continuation of phased programme to replace obsolete lift controllers	400,000	To replace end of life obsolete lift systems where maintenance no longer feasible due to parts being no longer available - tbc

CCTV	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
General			
Asbestos Removal - general	Removal, disposal and replacement of finishes under fully controlled asbestos removal conditions	200,000	various sites
Garage forecourt resurfacing programme	Resurfacing of forecourt areas to garage blocks where existing surface in poor condition.	200,000	Various sites - continuation of rolling annual planned maintenance programme.
Resurfacing of Access Roads	Resurfacing of road and access ways	350,000	tbc
Condition Appraisals	Annual programme of condition appraisal surveys	100,000	Annual programme budget allowance for Keystone asset data condition surveys
Damp & condensation control programme	new programme	1,000,000	Following EPC survey programme, inc for ventilation & monitoring systems . Estimated cost proposed - review being commissioned 21/22
	Sub Total	23,800,000	
Other Capital			
Environmental improvements	General environmental improvements at sites to be agreed & subject to resident consultation.	50,000	confirm remains as per 21/22
Disabled adaptations Various locations	Works to alter, adapt Council owned dwellings for the benefit of people with disability.	650,000	confirm remains as per 21/22
Software systems	Provision to upgrade essential business software	?	additional & separate to BC review
Programme support.	Programme support & development to support HRA Business Plan	?	additional & separate to BC review
	Total	24,500,000	

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	Cumulative spend at 31-03-21	2021-22													Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
				Estimate approved by Council in February	Revised estimate	Expenditure at P9	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	2027-28 Est for year	2028-29 Est for year	2029-30 Est for year	(g)					
		(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iv)	(v)	(v)	(v)	(v)	(v)	(g)	(b)+(f)-(g) = (h)	(i)	(h)-(i) = (k)		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
APPROVED SCHEMES																					
COMMUNITY DIRECTORATE																					
	General Fund Housing		annual	605	605	499	605	605	605	605	-					1,815	2,420	(806)	-	1,614	
	Disabled Facilities Grants		annual	-	-	295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Better Care Fund		annual	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Home Improvement Assistance		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BCF Prevention grant		annual	-	-	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	SHP		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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Guldford Park feasibility		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Shanfield		2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Site B100 feasibility		193	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Redevelopment bid 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Asset Management																				
ED14(e)	Void investment property refurbishment works	570	383	-	50	-	50	-	-	-	-	-	-	-	-	-	570	-	-	570	
	Unit 2 The Billings void works (complete)	-	-	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED14	5 High Street void works	-	-	11	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED15	1 Middleton void works	-	-	-	9	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	
	C4 41 Moorfield Road Stylefield void works	-	-	-	124	10	114	10	-	-	-	-	-	-	-	-	-	-	-	-	
	1 North Moors void works	-	-	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED14	10 Middleton 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	26	90	-	-	-	-	-	-	90	317	-	-	317		
ED41	The Billings roof	200	29	170	171	52	171	-	-	-	-	-	-	-	-	200	-	-	200		
ED44	Broadwater cottage	319	300	-	19	47	19	-	-	-	-	-	-	-	-	319	-	-	319		
ED45	Gurpowder mills - scheduled ancient monument	222	196	-	26	0	6	-	-	-	-	-	-	-	-	202	-	-	202		
ED51(g)	Guldford House Exhibition lighting (complete)	50	-	-	50	51	50	-	-	-	-	-	-	-	-	50	-	-	50		
ED53	Tyring Farm Land-removal of beams and concrete hardstanding	200	143	-	57	1	(0)	57	-	-	-	-	-	-	57	200	-	-	200		
ED56	Foxenden Tunnels safety works (complete)	110	28	-	82	17	17	-	-	-	-	-	-	-	-	45	-	-	45		
ED57	Holy Trinity Church boundary wall (complete)	63	52	2	11	1	1	-	-	-	-	-	-	-	-	53	-	-	53		
CP1	SMP PH1 Calorifier replacement	28	-	28	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CP2	SMP Main pavilion amenity club (complete)	50	3	-	47	70	47	-	-	-	-	-	-	-	-	50	-	-	50		
CP3	SMP cricket pavilion	120	4	116	116	139	116	-	-	-	-	-	-	-	-	120	-	-	120		
	Office Services																				
	COMMUNITY DIRECTORATE TOTAL																				
		2,824	2,126	1,466	1,862	1,229	1,346	1,076	705	705	0	0	0	0	0	2,476	5,520	-906	-	4,614	
ENVIRONMENT DIRECTORATE																					
Operational Services																					
OP10	Flood resilience measures (use in conjunction with grant funded)	445	324	121	121	-	0	121	-	-	-	-	-	-	-	121	445	-	-	445	
OP5	Mill Lane (Pitbright) Flood Protection Scheme	71	55	16	16	-	-	16	-	-	-	-	-	-	-	16	71	(19)	-	52	
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	9,242	566	1,423	984	1,423	-	-	-	-	-	-	-	-	10,665	(26)	-	10,639		
OP26	Merrow lane grille & headwall construction	60	3	57	57	-	-	57	-	-	-	-	-	-	57	60	-	-	60		
OP27	Merrow & 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		
	Parks and Leisure																				
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, Guldford Commons	150	4	-	2	-	2	-	-	-	-	-	-	-	-	6	-	-	6		
PL15(a)	Infrastructure works, Guldford Commons: Merrow	-	15	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	15		
PL15(b)	Infrastructure works, Guldford Commons: Shalford	-	129	-	-	-	-	-	-	-	-	-	-	-	-	129	-	-	129		
PL20(c)	Redevelopment of Westborough and Park barn play area	320	-	320	320	-	-	320	-	-	-	-	-	-	320	320	-	-	320		
PL34	Stoke comsby re-tarmac	47	-	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 and	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	-		
	ENVIRONMENT TOTAL DIRECTORATE																				
		17,009	13,216	1,905	2,895	1,084	1,792	1,043	60	-	-	-	-	-	-	1,066	16,111	(45)	-	15,939	
FINANCE DIRECTORATE																					
Financial Services																					
FS1	Capital contingency fund	annual	-	5,000	5,000	-	45	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000	10,045	-	-	10,045	
	RESOURCES DIRECTORATE TOTAL																				
		0	0	5,000	5,000	0	45	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000	10,045	0	-	10,045	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																					
Development / Infrastructure																					
ED54	Rodboro Buildings - electric theatre through road and parking	450	27	422	423	6	8	370	11	-	-	-	-	-	381	416	-	-	416		
P5	Walnut Bridge replacement	5,098	2,947	17	2,151	1,290	1,651	500	-	-	-	-	-	-	500	5,098	(2,456)	(950)	1,691		

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-21	2021-22	Revised estimate	Expenditure at P9	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	2027-28 Est for year	2028-29 Est for year	2029-30 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme	
				Estimate approved by Council in February				(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)						(x)
				(a)				(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)						(j)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	SMC(West) Phase 1	4,403	1,567	1,658	2,836	70	200	200	-	-	-	-	-	-	-	200	1,967	(914)	-	1,052	
P16	A331 hotspots	3,930	351	500	3,579	2	1,493	-	-	-	-	-	-	-	-	-	1,844	(328)	-	1,516	
P14	Town Centre Approaches	1,033	453	400	580	360	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	2,360	8,184	14,393	8,413	-	-	-	-	-	-	22,805	33,770	(30,400)	-	3,370	
P21	Ash Road Footbridge	500	29	279	180	6	180	-	36	-	-	-	-	-	-	291	500	-	-	500	
P11	Guildford West (PB) station	500	-	500	500	-	-	500	-	-	-	-	-	-	-	500	500	-	-	500	
	Development Financial																				
	Investment in North Downs Housing (60%)	15,180	11,142	1,682	4,038	1,791	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	1,198	1,977	710	-	-	-	-	-	-	-	710	10,120	-	-	10,120	
ED49	Middleton Ind Est Redevelopment	9,350	5,319	3,700	4,031	3,763	4,031	-	-	-	-	-	-	-	-	-	9,350	-	-	9,350	
P12	Property Acquisitions	33,520	8,309	25,000	25,211	220	219	24,992	-	-	-	-	-	-	-	24,992	33,520	-	-	33,520	
PL9	Reusis 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	199	340	-	-	-	-	-	-	-	-	-	1,477	(150)	-	1,327	
P22	Guildford Economic Regeneration (GER) Programme	1,100	-	1,100	1,100	-	1,100	-	-	-	-	-	-	-	-	-	1,100	-	-	1,100	
ED32	Internal Estate Road - CLR Phase 1	11,139	10,913	-	226	32	226	-	-	-	-	-	-	-	-	-	11,139	(5,107)	-	6,032	
ED6	Shyfield Area Regeneration Project (SARP)	98,444	8,420	28,347	17,460	9,432	17,460	52,730	3,436	-	-	-	-	-	-	56,166	98,644	(42,674)	-	55,970	
ED6	WUV - Allotment relocation	200	612	-	-	1,777	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED6	WUV - Int roads, Site clearance	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED6	WUV - New GBC Depot	2,480	59	-	2,421	1,237	2,421	-	-	-	-	-	-	-	-	-	2,480	-	-	2,480	
ED6	WUV - Thames Water relocation	-	14,895	-	-	1,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ED6	WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION	244,636	88,497	84,419	78,430	25,167	43,177	95,723	11,896	0	0	0	0	0	0	107,619	239,293	-82,729	-950	155,614	
	APPROVED SCHEMES TOTAL	264,468	103,839	92,790	88,176	27,480	46,360	99,842	14,661	2,705	2,000	2,000	2,000	2,000	2,000	121,161	270,969	(83,679)	-950	186,212	
	non-development projects total	19,833	15,342	8,371	9,746	2,312	3,183	4,119	2,765	2,705	2,000	2,000	2,000	2,000	2,000	13,542	31,676	-951	0	30,598	
	development/infrastructure - non-financial benefit	49,804	8,258	23,473	20,790	4,102	12,312	16,218	8,460	0	0	0	0	0	0	24,678	45,247	-34,798	-950	9,499	
	development - financial benefit	194,832	80,240	60,946	57,640	21,065	30,865	79,505	3,436	0	0	0	0	0	0	82,841	194,046	-47,931	0	146,115	
	TOTAL	264,468	103,839	92,790	88,176	27,480	46,360	99,842	14,661	2,705	2,000	2,000	2,000	2,000	2,000	121,161	270,969	(83,679)	-950	186,212	
	SUMMARY																				
	APPROVED SCHEMES - TOTAL	264,468	103,839	92,790	88,176	27,480	46,360	99,842	14,661	2,705	2,000	2,000	2,000	2,000	2,000	121,161	270,969	(83,679)	-950	186,212	
	GRAND TOTAL	264,468	103,839	92,790	88,176	27,480	46,360	99,842	14,661	2,705	2,000	2,000	2,000	2,000	2,000	121,161	270,969	(83,679)	-950	186,212	

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2021-22 to 2026-27

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected expenditure 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 estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
		(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(h)	(b)+(g)+(h)=(i)	(j)	(i) - (j) = (k)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																
COMMUNITY DIRECTORATE																
Corporate Property																
ED21(P)	Methane gas monitoring system	150	-	-	-	-	-	-	150	-	-	-	150	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties & Energy & CO2 reduction in Council non HRA properties	3,218	-	768	768	-	-	1,268	1,450	500	-	-	3,218	3,218	-	3,218
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
BS3(p)	Office Services Millmead House - M&E plant renewal	33	-	-	-	-	-	33	-	-	-	-	33	33	-	33
COMMUNITY DIRECTORATE TOTAL		6,933	-	1,138	1,138	-	-	1,681	1,600	500	3,152	-	6,933	6,933	-	6,933
ENVIRONMENT DIRECTORATE																
Operational Services																
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	-	-	-	-	200	-	-	-	200	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	24,780	-	780	780	-	-	3,280	400	2,500	5,000	3,000	24,780	24,780	-	24,780
OP21(P)	Surface water management plan	200	-	-	-	-	-	-	200	-	-	-	200	200	-	200
OP22(p)	YMCA Lighting	24	-	-	-	-	-	24	-	-	-	-	24	24	-	24
OP23(p)	Millmead House Lifts	200	-	-	-	-	-	200	-	-	-	-	200	200	-	200
OP24(p)	Yorkies Bridge Lighting	20	-	-	-	-	-	20	-	-	-	-	20	20	-	20
Parks and Leisure																
PL16(P)	New burial grounds - acquisition & development (complete)	88	38	30	50	-	(0)	-	-	-	-	-	-	38	-	38
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 - (Not Required)	500	-	200	250	-	-	-	-	-	-	-	-	-	-	-
PL57(p)	Parks and Countryside - repairs and renewal of paths, roads and car parks	1,442	-	992	1,042	-	-	442	250	250	250	250	1,442	1,442	-	1,442
PL58(p)	Sports pavilions - replace water heaters (NO LONGER REQD)	154	-	42	70	-	-	-	-	-	-	-	-	-	-	-
PL59(p)	Millmead fish pass	60	-	60	60	-	-	60	-	-	-	-	60	60	-	60
PL60(p)	Stoke Park Paddling Pool	170	-	-	-	-	-	170	-	-	-	-	170	170	-	170
PL61(p)	Albury Closed Burial Ground	60	-	-	-	-	-	57	3	-	-	-	60	60	-	60
PL62(p)	Chilworth Gunpowder Mills	180	-	-	-	-	-	175	5	-	-	-	180	180	-	180
PL63(p)	Memorial Wall	100	-	-	-	-	-	100	-	-	-	-	100	100	-	100
PL34(p)	Stoke cemetery re-tarmac	93	-	-	-	-	-	93	-	-	-	-	93	93	-	93
ENVIRONMENT DIRECTORATE TOTAL		28,461	38	2,144	2,292	-	(0)	4,661	1,058	2,900	5,250	3,250	27,719	27,757	(49)	27,708
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
Development / Infrastructure																
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	150	-	-	-	-	-	-	-	150	-	-	150	150	-	150
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	-	-	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
Development Financial																
ED49(p)	Redevelop Midleton industrial estate	5,557	-	5,557	5,557	-	-	5,557	-	-	-	-	5,557	5,557	-	5,557
ED16(P)	Shiffield Area Regeneration Project (SARP) (GBC share)	222,684	-	-	-	-	-	-	73,584	28,697	34,881	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	-	-	-	38,292	38,292	-	38,292
P22(p)	Guildford Economic Regeneration (GER) Programme	3,070	-	-	-	-	-	1,530	1,540	-	-	-	3,070	3,070	-	3,070
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		321,504	-	50,251	50,251	-	-	45,730	110,056	33,685	34,981	24,392	304,984	304,984	(58,500)	246,484
PROVISIONAL SCHEMES - GRAND TOTALS		356,898	38	53,533	53,681	-	(0)	52,072	112,714	37,085	43,383	27,642	339,636	339,674	(58,549)	281,125
non development projects		35,394	38	3,282	3,430	-	(0)	6,342	2,658	3,400	8,402	3,250	34,652	34,690	(49)	34,641
development/infrastructure - non-financial benefit		39,971	0	14,722	14,722	0	0	10,201	24,782	4,938	50	0	39,971	39,971	-6,200	33,771
development- financial benefit		281,533	0	35,529	35,529	0	0	33,999	83,734	28,747	34,931	24,392	261,943	261,943	-52,300	209,643
TOTAL		356,898	38	53,533	53,681	0	-0	50,542	111,174	37,085	43,383	27,642	336,566	336,604	-58,549	278,055

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22		Expenditure at P9	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
				Estimate approved by Council in February	Revised estimate									
		(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
	COMMUNITY DIRECTORATE													
	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-
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													
	ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: <i>GBC 'Invest to Save' energy projects (to be repaid in line with savings)</i>			-	-	-	-	-					-	-
R-EN14	SMP - air source heat pump	28	1	27	27	-	27	-	-	-	-	-	-	28
	ENERGY RESERVES TOTAL	292	71	55	221	84	221	-	-	-	-	-	-	292
	FINANCE DIRECTORATE													
	INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually													
	Hardware / software budget	500		500	320	-	320	303	440				743	1,063
R-IT1	Hardware	annual	annual	-	-	7	-	-	-				-	-
R-IT2	Software	annual	annual	-	-	497	-	-	-				-	-
	ICT Refresh Phase 2				180	2	180	197	60				257	437
R-IT3	IDOX Acolaid to Uniform	275		-	275		275	-	-				-	275
R-IT4	LCTS alternative	56		-	56		56	-	-				-	56
	IT RENEWALS RESERVE TOTAL	831	-	500	831	506	831	500	500	-	-	-	1,000	1,831
	ENVIRONMENT DIRECTORATE													
	SPECTRUM RESERVE													
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	431	168	-	263	-	-	263					263	431
	Spectrum - Retaining Wall	204			204	83	204							204
	Lido - Drainage Works	65			65		65							65
	SPECTRUM RESERVE TOTAL	700	168	-	532	83	269	263	-	-	-	-	263	700
	CAR PARKS RESERVE													

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Appendix 6

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22		Expenditure at P9	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 to
				Estimate approved by Council in February	Revised estimate									
		(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
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	930	930	-	-	-	-	930	-	-	930	1,170
R-CP20	Car Parks - Lighting & Electrical improvements:													
R-CP14	Lift replacement (PR000293)	841	676	-	165	40	165	-	-	-	-	-	-	841
R-CP17	Leapale rd MSCP drainage (PR000433)COMPLETE	90	26	-	64	-	8	-	-	-	-	-	-	34
R-CP19	Structural works to MSCP	300	50	100	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	210		-	60	-	-	205	5	-	-	-	210	210
158	Car Park Lighting	300						300					300	300
	CAR PARKS RESERVE TOTAL	4,248	1,526	1,420	2,272	589	875	855	5	930	-	-	1,790	4,192
	SPA RESERVE :													
	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	SPA RESERVE TOTAL	100	-	-	151	-	151	-	-	-	-	-	-	151
	GRAND TOTALS	6,171	1,765	1,975	4,008	1,262	2,348	1,618	505	930	-	-	3,053	7,166

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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 expenditure 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
APPROVED SCHEMES (fully funded from S106 contributions)																
ENVIRONMENT DIRECTORATE																
Operational Services																
Parks and Leisure																
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) Noticeboards	7			7	7	7							7	(7)	
	ENVIRONMENT DIRECTORATE TOTAL	299	46	-	252	58	171	58	-	-	-	-	58	275	(275)	-
	APPROVED S106 SCHEMES TOTAL	299	46	-	252	58	171	58	-	-	-	-	58	275	(275)	-

SUMMARY	
APPROVED S106 SCHEMES - TOTAL	
GRAND TOTAL	

46	-	252	58	171	58	-	-	-	-	-	58	275	(275)	-
46	-	252	58	171	58	-	-	-	-	-	58	275	(275)	-

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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)

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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)
Balance after funding capital expenditure as at 31 March	112	0	0	0	0	0	0	2,475

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Appendix 8

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	46,360	99,842	14,661	2,705	2,000	2,000
	0	53,533	(0)	52,072	112,714	37,085	43,383	27,642
	81	0	171	58	0	0	0	0
	1,649	1,975	2,348	1,618	505	930	0	0
	0	0	0	0	0	0	0	0
Total estimated capital expenditure	29,440	148,298	48,878	153,590	127,880	40,720	45,383	29,642
	(2,554)	(95)	(448)	0	0	0	(21,641)	(24,642)
	(7,070)	(51,415)	(16,681)	(47,472)	(15,315)	(2,954)	0	0
	(6,164)	(2,195)	(3,070)	(1,838)	(725)	(1,150)	0	0
	0	0	0	0	0	0	0	0
	(15,787)	(53,705)	(20,199)	(49,310)	(16,040)	(4,104)	(21,641)	(24,642)
	(13,653)	(94,593)	(28,679)	(104,280)	(111,840)	(36,616)	(23,742)	(5,000)
Total funding required	(29,440)	(148,298)	(48,878)	(153,590)	(127,880)	(40,720)	(45,383)	(29,642)

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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
	600	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	600	0	0	0	0	0	0	0
	(600)	0	0	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	0	0	0	0	0	0	0	0

Estimated shortfall at year-end to be funded from borrowing

13,053	94,593	28,679	104,280	111,840	36,616	23,742	5,000
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Agenda item number: 10
Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

5.0 Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy

Balance as at 1 April (T01008)	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
Housing receipts - estimated balance in hand at year end	(0)	0	(0)	0	0	0	0	0

	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 (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
Housing receipts - estimated balance in hand at year end	(0)	0	(0)	0	0	0	0	0

5.1 Housing capital receipts (post 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))

Balance as at 1 April (T01012)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	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
Housing receipts - estimated balance in hand	0	0	0	0	0	0	0	0

	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 (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
Housing receipts - estimated balance in hand	0	0	0	0	0	0	0	0

Total £'000s

6.1 Estimated annual borrowing requirement

Bids for funding (net)

Total estimated borrowing requirement if all bids on Appendix 1 approved

13,053	94,593	28,679	104,280	111,840	36,616	23,742	5,000	310,157
			0	0	0	0	0	0
	94,593	28,679	104,280	111,840	36,616	23,742	5,000	310,157

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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	
Town centre masterplan (heading not related to schemes below)												
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	
Corporate plan												
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	

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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 P9 £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
Acquisition of Land & Buildings	15,900	5,276	7,414	4,800	86	4,886	3,870	4,886	1,800	1,800	0	0	0	15,900
New Build														
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	272	986	1,100	1,266	0	0	0	6,500
Bright Hill	500	0	0	0	500	500	10	37	463	0	0	0	0	500
Foxburrows Redevelopment	10,657			0	9,591	9,591	0	0	9,591	1,066				10,657
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							37	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							3	8	109					
17 Wharf Lane							3	8	104					
Development Projects	7,100								7,100					7,100
Schemes to promote Home-Ownership								0						
Equity Share Re-purchases	annual	458	annual	400	0	400	0	400	400	400	400	400	0	annual
Major Repairs & Improvements				6,582	2,618	9,200		0	24,500					
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	971	annual				1,324	3,191						annual
Doors and Windows	annual	241	annual				260	841						annual
Structural/Roof	annual	307	annual				161	1,230						annual
Energy efficiency: Central heating/Lighting	annual	1,262	annual				876	1,351						annual
General	annual	880	annual				1,182	2,410						annual
ICT - Housing Management System	950								950	950				1,900
Grants														
Cash Incentive Scheme	annual	0	annual	75	0	75	0	75						annual
TOTAL APPROVED SCHEMES	57,607	12,643	16,174	17,988	16,006	33,994	8,162	15,730	49,909	10,863	1,400	400	0	54,949

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2020-21 to 2026-27: HRA PROVISIONAL 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	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
Acquisition of Land & Buildings	7,000	0	0	0	0	0	0	3,000	4,000	0	0	0	7,000
New Build													
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	0	0	4,380	0	4,380	0	0	4,380	11,625	7,120	0	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)	50,000	0	0	0	0	0	0	1,000	0	0	5,000	44,000	50,000
Foxburrows Redevelopment	0	0	0	9,058	0	9,058	0	0	0	0	0	0	0
Shawfield Redevelopment	3,000	0	0	2,500	0	2,500	0	2,500	500	0	0	0	3,000
Major Repairs & Improvements													
Major Repairs & Improvements	annual		annual	0	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
Grants													
Cash Incentive Scheme	annual		annual	0		0	0	75	75	75	75	75	annual
Total Expenditure to be financed	115,625	0	1,225	34,117	250	34,367	0	10,281	34,204	24,200	18,515	49,575	115,625

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2021-22 to 2026-27: HRA RESOURCES AND FUNDING STATEMENT

	2020-21 Actual	2021-22 Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE								
Approved programme	12,685	17,988	15,730	49,909	10,863	1,400	400	0
Provisional programme	0	34,117	0	10,281	34,204	24,200	18,515	49,575
Total Expenditure	12,685	52,105	15,730	60,190	45,067	25,600	18,915	49,575
FINANCING OF PROGRAMME								
Capital Receipts	421	400	0	400	400	400	400	0
1-4-1 receipts	2,186	13,514	2,654	10,280	11,443	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	9,024	25,450	5,500	5,500	5,500	5,500
New Build Reserve	4,818	31,534	3,979	23,986	26,699	13,738	9,058	30,800
Grants and Contributions	1,599	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	12,685	52,105	15,731	60,190	44,117	25,600	18,915	49,575

RESERVES - BALANCES

	2020-21 Actual	2021-22 Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
Reserve for Future Capital Programme (U01035)								
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	38,329	40,829	40,829	43,329	45,829	48,329	50,829	53,329
Major Repairs Reserve (U01036)								
Balance b/f	9,852	8,526	11,876	8,488	-11,327	-11,327	-11,327	-11,327
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	-9,023	-25,450	-5,500	-5,500	-5,500	-5,500
Balance c/f	11,876	7,444	8,488	-11,327	-11,327	-11,327	-11,327	-11,327
New Build Reserve (U01069)								
Balance b/f	56,112	54,634	59,383	63,645	48,065	29,940	24,948	24,810
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	-3,979	-23,986	-26,699	-13,738	-9,058	-30,800
Balance c/f	59,383	31,506	63,645	48,065	29,940	24,948	24,810	3,109

Usable Capital Receipts: 1-4-1 receipts (T01011)

Balance b/f	6,004	7,657	4,526	4,788	-2,883	-11,441	-14,567	-15,608
Contribution in year	708	2,609	2,915	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	-2,653	-10,280	-11,443	-5,888	-3,882	-13,200
Balance c/f	4,526	-3,248	4,788	-2,883	-11,441	-14,567	-15,608	-25,910

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

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

Money Market Code Principles

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

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

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

Ethics

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

Governance and Risk Management

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

Information Sharing, Confidentiality and Communications

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

Execution, Surveillance, Confirmations and Settlement

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

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Arlingclose economic 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: 10
Appendix 15

	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
Official Bank Rate													
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
3-month money market rate													
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
5yr gilt yield													
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
10yr gilt yield													
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
20yr gilt yield													
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
50yr gilt yield													
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	Fitch	Moody's	Standard & Poor's
Long Term Investment Grade	AAA	Aaa	AAA	AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in the case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	Aaa Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	AAA An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Pooers.
	AA+	Aa1	AA+	AA Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	Aa Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	AA An obligator rated 'AA' has very strong capacity to meets its financial commitments. It differs from the highest rated obligators only to a small degree.
	AA	Aa2	AA			
AA-	Aa3	AA-				
	A+	A1	A+	A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	A Obligations rated A are considered upper-medium grade and are subject to low credit risk.	A An obligator rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.
	A	A2	A			
	A-	A3	A-			
	BBB+	Baa1	BBB+	BBB Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.	Baa Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.	BBB An obligator rated 'BBB' has adequate capacity to meets its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligator to meet its financial commitments.
	BBB	Baa2	BBB			
	BBB-	Baa3	BBB-			
Sub Investment Grade	BB+	Ba1	BB+			
	BB	Ba2	BB			
	BB-	Ba3	BB-			
	B+	B1	B+			
	B	B2	B			
	B-	B3	B-			
	CCC+	Caa1	CCC+			
	CCC	Caa2	CCC			
	CCC-	Caa3	CCC-			
	CC+	Ca1	CC+			
	CC	Ca2	CC			
	CC-	Ca3	CC-			
	C+	C1	C+			
	C	C2	C			
	C-	C3	C-			
	D		D or SD			

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

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Date: 9 February 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 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 and Investment Strategy which is to be considered separately on this agenda.

The HRA annual budget and HRA business plan assumes that any surpluses on the HRA are used to invest in redevelopment and upgrading of the existing stock, invest in new build affordable housing to be retained and rented by the Council within the HRA and then if there is sufficient monies available, the repayment of debt taken on under HRA self financing. The 30-year business plan set out in Appendix 3 shows that there are sufficient resources

within the HRA to carry out the Council's investment plans as well as repay the debt over the 30-year business plan period and still leave a healthy reserve balance of £340million at the end of the 30 years for further investment not yet identified.

This report has also been considered by the Joint Executive Advisory Board at its meeting on 10 January 2021. The Board's comments are set out in section 11 of this report.

At its meeting on 25 January 2022, the Executive also considered this report and endorsed the recommendations to Council set out below. The Executive also resolved:

- (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.

Recommendation 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 be 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 and 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 25 February 2019 under powers set out within section 197 of the Housing and Regeneration Act 2008 which required 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 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 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.

- 4.6 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.
- 4.7 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 affect a household's 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.
- 4.8 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 above, 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 a 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	Debt repayments made as loans fall due
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 State's 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.

Gross Expenditure alternatively analysed as:	£000
Management and maintenance	12,693
Depreciation	5,525
Other	824
Interest payable	5,052
Transfer to reserves	10,958
	<u>35,053</u>

Received From:	£000
Council House Rents	31,677
Interest receivable	54
Rent income	1,232
Fees, charges and miscellaneous income	2,090
	<u>35,053</u>

- 7.6 Based on the assumptions as contained in paragraph 7.2 and as summarised in 7.5 above it is estimated that the HRA will have an operating surplus of £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 Government's 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 service’s safeguarding role for those households at risk
- Increased support to work with tenants and partners in dealing with and preventing increasingly complex anti-social 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

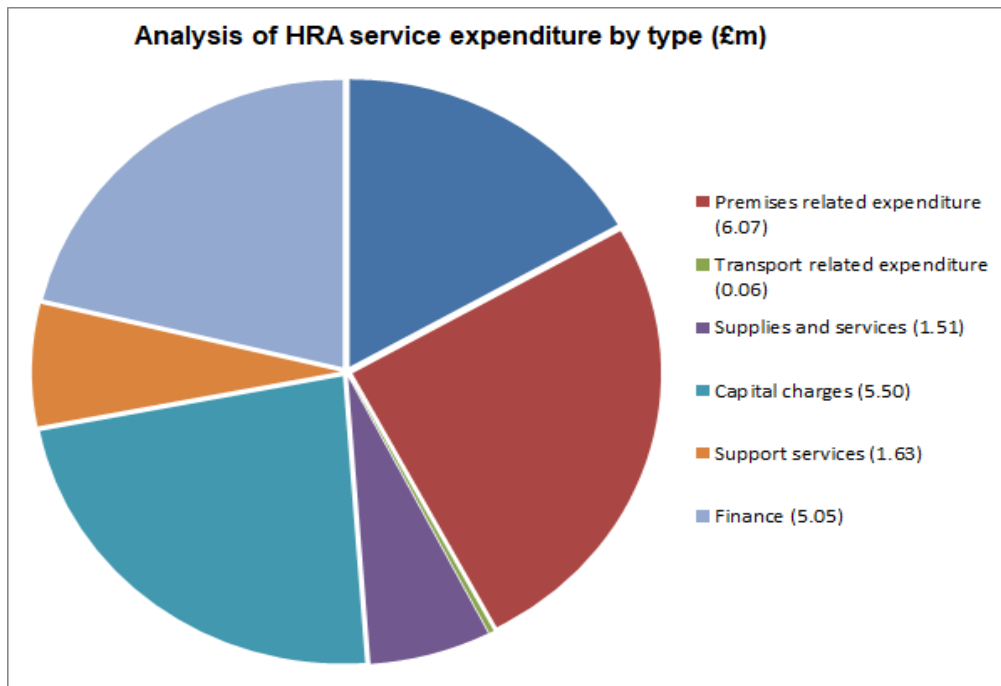
7.9 **Repairs and maintenance:** An increase in planned repairs and maintenance expenditure is proposed to catch up works which have not been able to be undertaken due to the pandemic.

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.

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

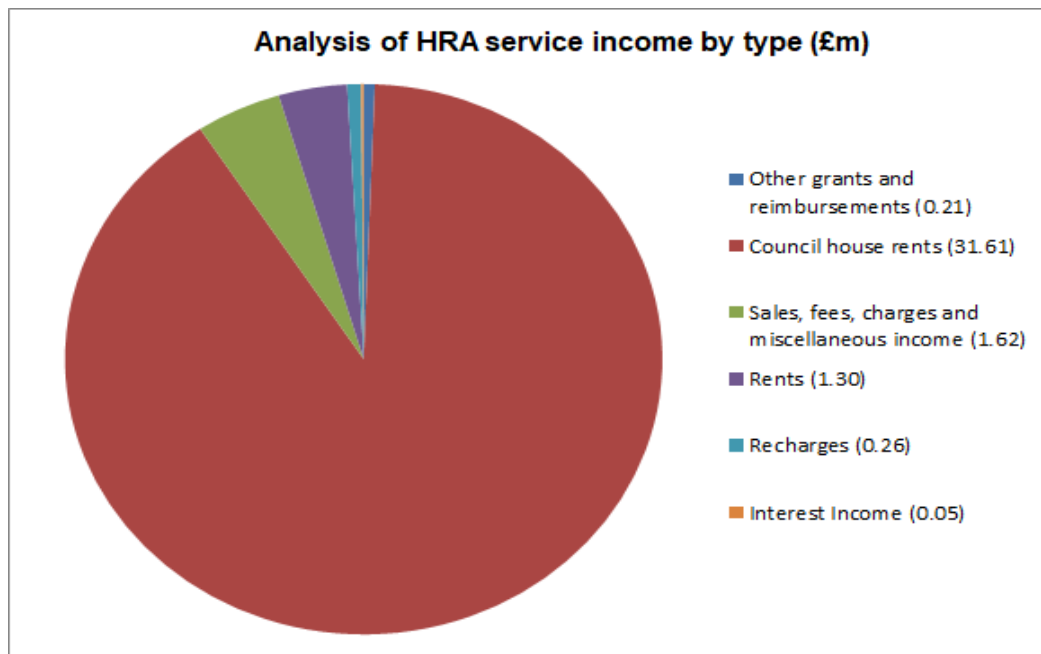
7.11 **Depreciation:** To safeguard future rental streams, we need to ensure our properties and assets are adequately maintained. This will involve the replacement of ageing components at the appropriate time. In order to do so, it is important that we set aside adequate funds each year to meet future liabilities. The depreciation charge is one of the key mechanisms we use to do this. The proposed 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 25 February 2019 under powers set out within section 197 of the Housing and Regeneration Act 2008 which required 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 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 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 bed roomed properties.
- 7.18 Arrears levels for Council housing 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 £2,000. 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 Council's Capital and Investment Strategy which is to be considered separately on this agenda. This strategy and the Business Plan are 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 ageing components, improving and enhancing of existing properties. In order to continue to meet targets for these planned programmes we will be expanding them 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

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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 ageing systems which are also moving out of support. The current system has been in use for 20 years 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 as 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
- 8.10 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.
- 8.11 The table below shows the available reserves that can support the HRA Business Plan. The contribution into the reserve for future capital programmes is maintained.

8.12

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	104,291	4,216	6,004	4,216	14,436	118,727
2020/21	40,829	10,760	55,788	107,377	4,216	5,356	5,428	15,000	122,377
2021/22	40,829	11,376	26,498	78,703	4,216	6,971	4,967	16,154	94,857
2022/23	37,500	0	34,784	72,284	0	1,261	4,262	5,523	77,807

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

- 8.13 The current development programme can be financed and debt repaid over the course of the 30-year business plan. At the end of the 30-year period there will still be substantial reserves available for further investment and new build on plans which have yet to be developed. The ability to identify further plans will be reliant on the availability of land to be released for such purposes under the provisions of the Local Plan.
- 8.14 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 sites¹.
- 8.15 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.
- 8.16 **Development Projects:** An update of our current development projects shall be provided during the year.
- 8.17 **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
Opening Bal 2019-20	2635	2255	319	5209
RTB	-12	-7	0	-19
Additions	26	14	0	40
Opening Bal 2020 -21	2649	2262	319	5230
RTB	-10	-32	0	-42
Additions	13	5	0	18
Opening Bal 2021 -22	2652	2235	319	5206
RTB	-7	-8	0	-15
Additions	13	5	0	18
Opening Bal 2022 -23				5254

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.

¹ The Council has entered into an agreement with the Secretary of State whereby it is allowed to retain an element of the capital receipts that it receives from Right to Buy sales. Under the terms of the agreement these receipts must be used to finance up to 40% of the cost of replacement social housing within five years, otherwise the retained receipts must be repaid to the Department for Levelling Up, Housing and Communities with interest.

- 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 tenants' 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.

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 – 10 January 2022

- 11.1 At its meeting on 10 January 2022, the Joint EAB considered this report, and its comments are set out below:
 - 1. Some concern was expressed in relation to the comment in paragraph 5.5 of the report that the wider social housing sector was becoming increasingly commercial moving towards market rental levels. However, the Council's stock remained designated as social housing. Approximately 97% of Council tenants were charged rent at social rent levels whilst the remainder paid affordable rent levels or were in a shared ownership arrangement. Therefore, the majority of Council rents were considerably lower than those charged by most housing associations, which limited the Council's cashflow opportunities. For those tenants in receipt of Housing Benefit, rent payments were covered up to the affordable level in accordance with the current Government framework. There were no indications that this framework was likely to be amended in the near future.

2. In terms of building cladding, fire risk assessments had been undertaken in respect of the Council's entire housing stock following the Grenfell tragedy and the findings indicated that there was no cause for concern in this area as none of the stock was cladded with the type of cladding utilised at Grenfell Tower. A recommendation arising from the Grenfell inquiry had been to review the manner in which fire risk assessments were undertaken resulting in the identification of new approaches and the issue of updated guidance. The Council was therefore embarking on a fresh programme of assessments in line with this guidance. This was one evolving area where the requirement for additional expenditure to remedy identified issues was anticipated and this had been factored into the budget.
3. As the Government had not changed its stance in relation to the Right to Buy scheme, this initiative was continuing. Where the Council sold residential units under this scheme, it received capital receipts and was working to ensure that the receipts were spent to enable new replacement properties to be added to its stock.
4. Fees, Charges and Miscellaneous income predominantly related to service charges and rents associated with a number of HRA investment properties in the Council's ownership. Outstanding appendices would be added to the report when it was finalised, and the amount of additional income referred to in paragraph 7.4 would be rounded to £2.7 million.
5. There was currently no certainty with regard to the timescale for the full-scale transition of recipients from Housing Benefit to Universal Credit. Where tenants had transferred to date, they had been in receipt of advice and support from the Council and other agencies to assist with the process, which was particularly necessary in the case of vulnerable tenants. The success of this was reflected in the low level of rent arrears, currently 1%, in the Borough compared to arrears of 5-6% experienced by most social landlords. Although the Council took all possible steps to avoid evictions, occasionally tenants made poor money management decisions resulting in the accumulation of rent arrears. Under these circumstances, it was necessary to follow the social landlord protocol before considering court action. Ultimately, the decision to end a tenancy was made by a judge.
6. The proposed investment of £24.5 million in the Council's housing stock to secure improvements in quality, energy efficiencies linked to climate change, and safety by reducing anti-social behaviour (A-SB) was welcomed.
7. Meeting the Climate Emergency target which the Council had set in respect of energy efficiency to achieve net zero carbon by 2030 was a challenge and ahead of the national target set by Government for social landlords to achieve net zero carbon by 2050. Although much of the technology required to achieve this goal remained under development and few related products had reached the market, there was an early opportunity to install some ground source heat pumps where home design and layout allowed. However, as the cost of installing a pump was £9-10,000 compared to a price of £2,500-£3,000 to install a more traditional boiler, more of the latter were currently being provided in the housing stock over the next 12 months. These boilers were amongst the most energy efficient models available and were able to operate using alternative fuels such as hydrogen. There were also moves to increase insulation and overall energy efficiency in the housing stock including low energy lighting installations and roofing work. In instances of condensation, residents would be advised as how to tackle this.

8. Fire safety work was also being undertaken and the fire doors being installed were fully compliant with current standards and with developments expected to come forward with new legislation later in the year. The doors featured closers and intumescent strips which expanded when hot to seal them. Fire alarm systems were also being upgraded and included enhanced corresponding magnetic door controls. Improvements in the information available to the Fire and Rescue Service were being pursued to inform it of alarm systems and CCTV coverage in the event of fires occurring. The Service was also made aware of tenants' disabilities / mobility issues.
9. With regard to A-SB, the Council was looking to work with colleagues across a number of agencies in order to identify where such behaviour could be addressed through measures including building design, improved lighting, parking arrangements and landscaping. Proposals would be funded from the Capital Programme and were informed by direct interface with tenants and feedback from the Residents' Group. Such consultation would continue.
10. The nature of the Council's role as a supplier of social housing included providing homes to vulnerable tenants and supporting them in their tenancies to assist them to lead successful and fruitful lives, with the benefit of a wide-ranging support package involving other agencies to address needs.
11. The importance of communications to tenants was highlighted to make them aware of the proposed rent increases, with reassurance that these would be covered by benefits in many cases, and of the Council's proposed investment in its housing stock to increase safety, and energy efficiency in the interests of climate change.

12. Legal Implications

- 12.1 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.
- 12.2 Notices of any increase in rent have to be sent to tenants 28 days in advance of the new charges coming into effect.

13. Human Resource Implications

- 13.1 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.

14. Conclusion

- 14.1 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.

- 14.2 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.

15. Background Papers

None

16. Appendices

Appendix 1: HRA Revenue Budget 2022-23
Appendix 2: HRA Fees and Charges 2022-23
Appendix 3: HRA Business Plan

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HOUSING REVENUE ACCOUNT - BUDGET SUMMARY					
2019-20 Actual £	2020-21 Actual £	Analysis	2021-22 Estimate £	2021-22 Projection £	2022-23 Estimate £
		Borough Housing Services			
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
9,623,015	3,762,480		9,251,171	8,874,954	9,717,692
		Strategic Housing Services			
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
1,395,255	1,311,194		1,506,359	1,477,451	2,146,560
		Community Services			
883,927	737,102	Sheltered Housing	872,642	796,691	829,236
		Other Items			
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
22,799,267	11,717,697	Total Expenditure	17,711,282	17,226,476	18,779,536
(32,532,978)	(32,264,967)	Income	(33,732,537)	(33,840,778)	(34,999,509)
(9,733,711)	(20,547,270)	Net Cost of Services(per inc & exp a/c)	(16,021,255)	(16,614,302)	(16,219,974)
251,530	251,530	HRA share of CDC	256,800	251,530	263,219
(9,482,181)	(20,295,740)	Net Cost of HRA Services	(15,764,456)	(16,362,772)	(15,956,754)
(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
(4,948,446)	(15,762,005)	Deficit for Year on HRA Services	(11,220,485)	(11,285,772)	(10,958,459)
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
0	0	HRA Balance	0	(0)	(0)
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
(2,500,000)	(2,500,000)	Balance Carried Forward	(2,500,000)	(2,500,000)	(2,500,000)

2019-20 Projection £	2020-21 Actual £	Analysis	2020-21 Estimate £	2020-21 Projection £	2022-23 Estimate £
		Borough Housing Services			
(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)
(30,757,431)	(30,249,789)	Total Rent Income	(31,827,625)	(31,786,252)	(32,909,029)
(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)
(32,532,978)	(32,264,967)	Total Income	(33,732,537)	(33,840,778)	(34,999,509)

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Agenda item number: 11
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	
To be approved by Council					
Sheltered Units					
Function Room Hire					
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%
Service charge (per week):					
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%
Friary House (61 flats)					
Heating, Electricity, Cleaning, Caretaking and Security Services (per wk)		16.81	17.65	12.96	13.35 3.0%
Garages (on Housing Estates) (VAT is applied at the standard rate on private lets only)					
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%
Castle Cliffe					
Gas and Electricity Charges (per week)		12.10	13.04	18.92	19.49 3.0%
Malthouse Court					
Gas and Electricity Charges (per week)		9.79	11.58	9.40	9.68 3.0%
Pound Court					
Electricity; Grounds Maintenance (per week)		5.41	5.24	5.33	5.49 3.0%
Flats					
Where cleaning provided to communal areas:					
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%
Supported Housing					
Service charge per week:					
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%
Sold Flats Service Charges - Solicitors' Enquiry					
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%
Consent Fees					
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%

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Housing Revenue Account Business Plan Commentary

Draft Report.v1
January 2022



HRA Business Plan and Capacity Review

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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	60,362,657
Windows	2,599,281	1,605,611	1,549,172	1,997,736	288,641	658,682	8,699,123
Common Parts	1,696,389	1,752,044	750,177	1,392,926	1,337,445	1,044,449	7,973,431
Internal Works	935,574	616,085	553,222	595,763	351,198	417,844	3,469,686
Bathrooms	2,177,116	1,847,231	3,064,753	4,760,889	2,860,589	947,969	15,658,547
Kitchens	5,964,892	7,130,760	5,289,159	1,777,378	5,879,344	7,063,970	33,105,503
Heating	7,930,244	5,630,305	1,793,712	11,411,537	5,985,554	2,979,006	35,730,358
Electrical Works	3,397,522	1,790,814	3,462,007	3,569,200	2,094,300	622,956	14,936,799
Disabled Adaptations	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	19,500,000
TOTAL	44,137,037	32,944,059	27,791,306	39,277,281	29,288,702	25,997,720	199,436,103

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).



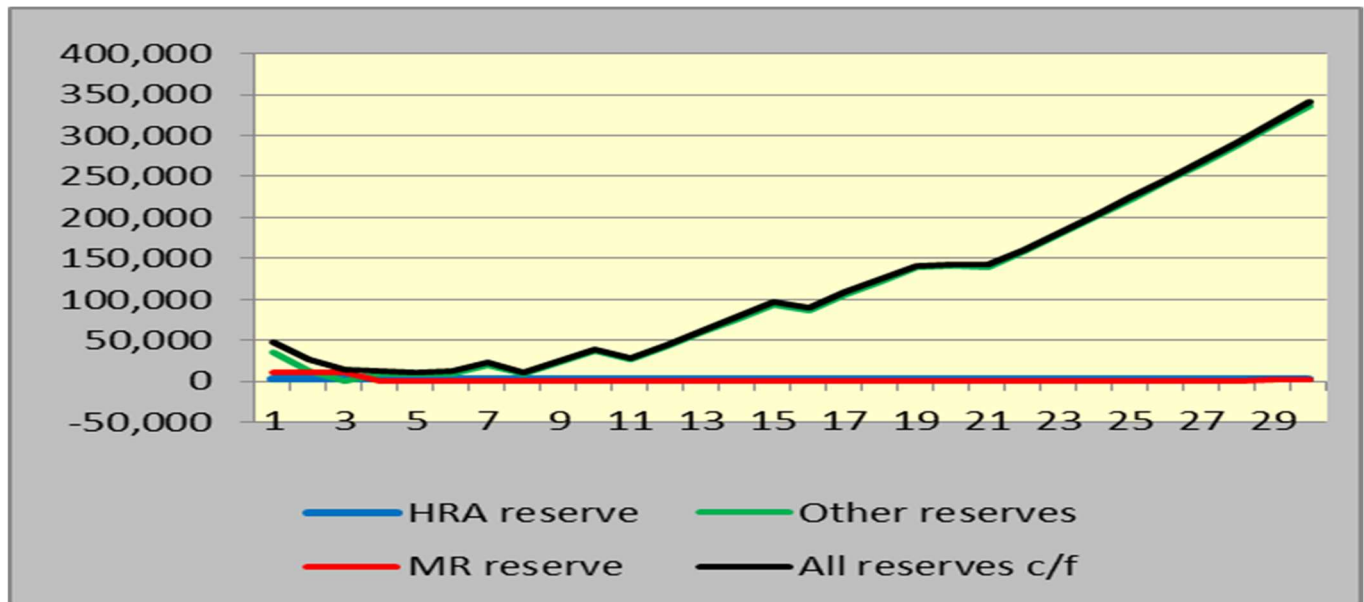
HRA Business Plan and Capacity Review

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.

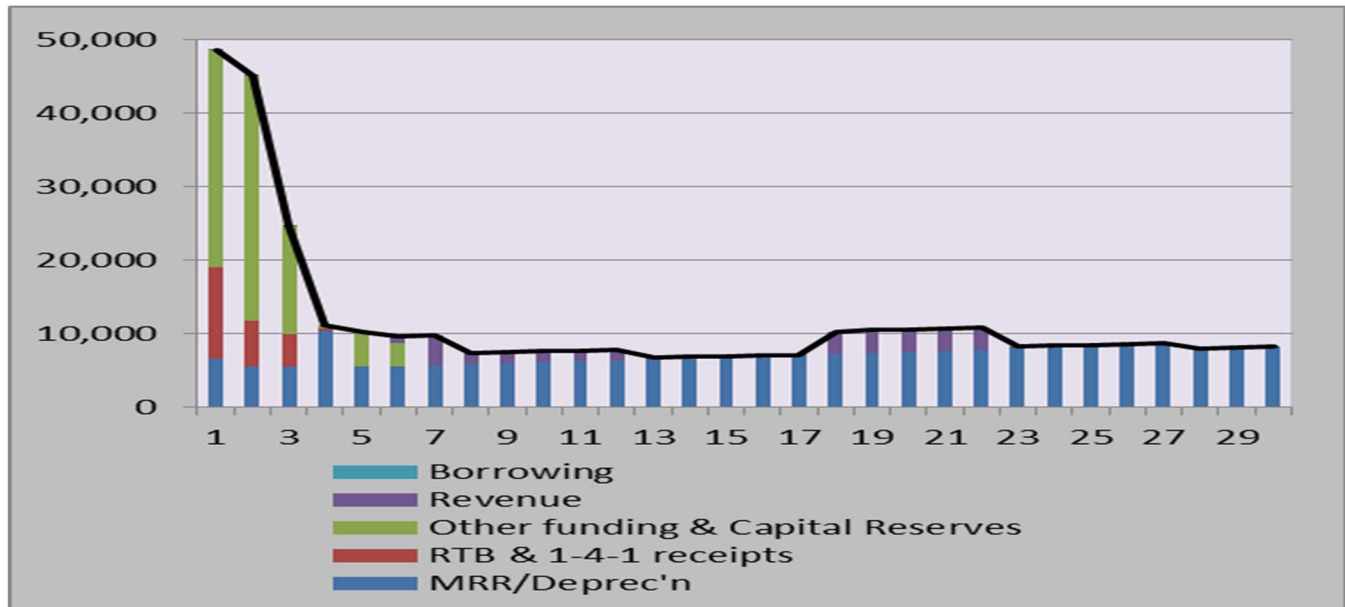
The majority of the reserves are contained within the 'other reserves' line that consist of the total balances of:

- 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

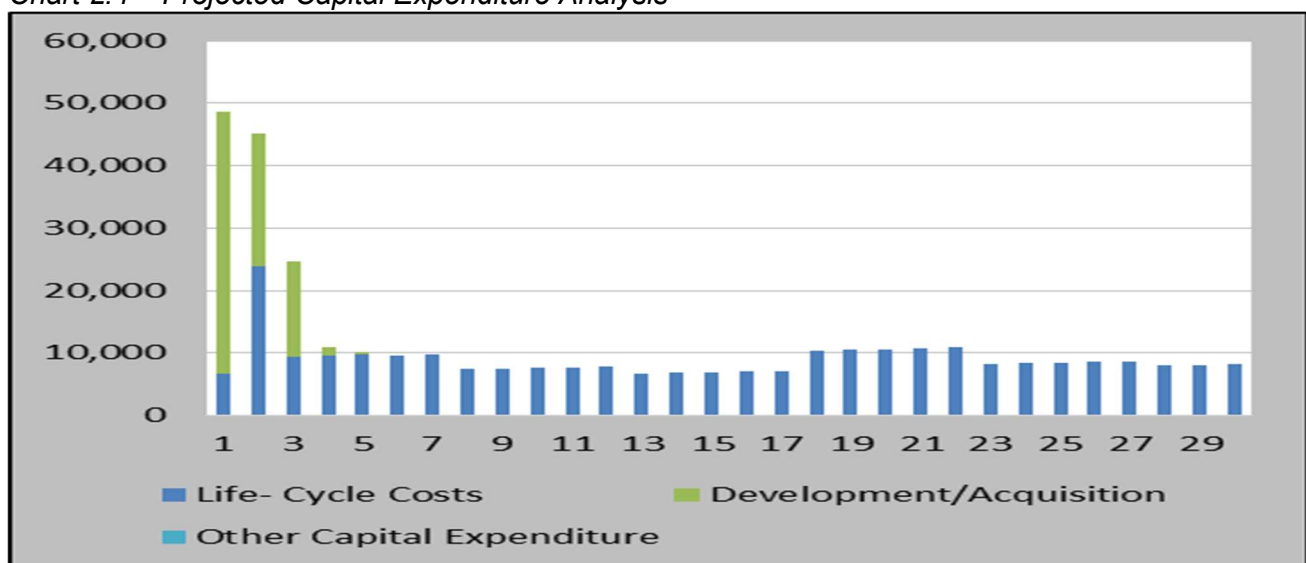
Chart 2.3 – Projected capital expenditure and financing



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

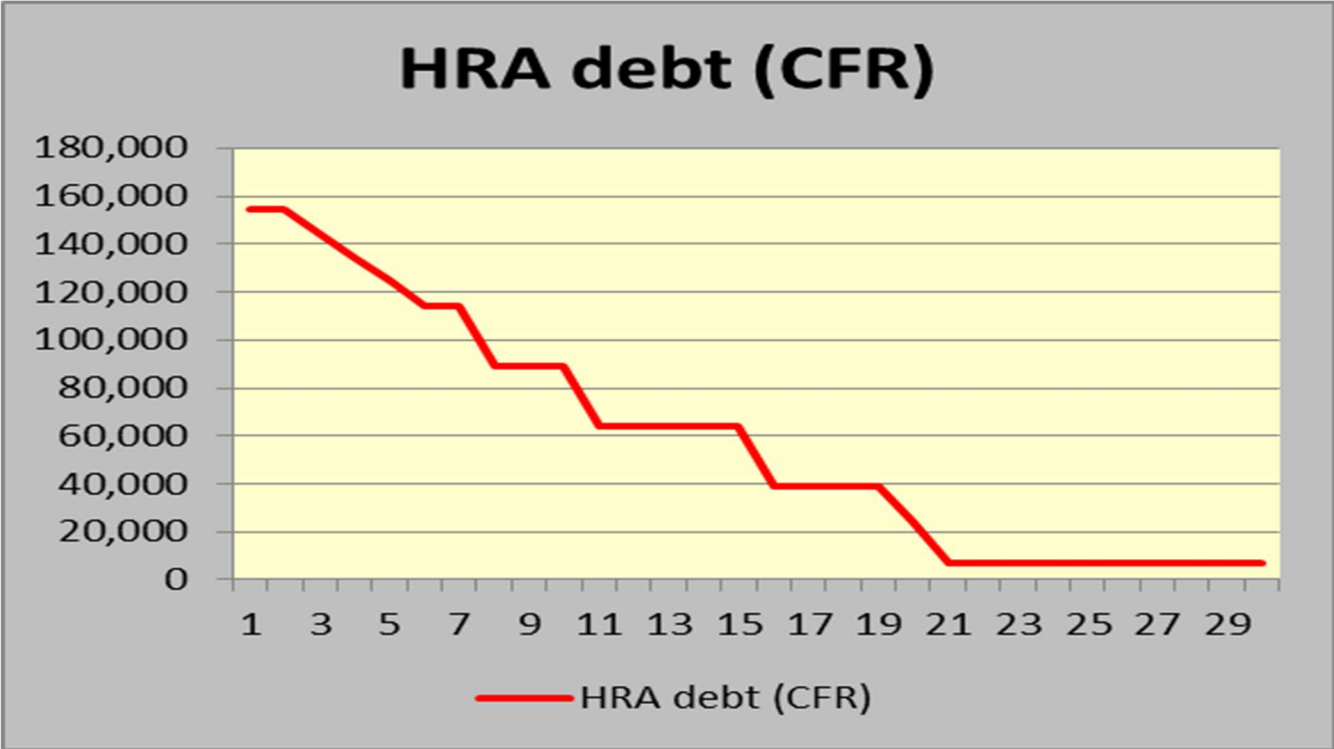




HRA Business Plan and Capacity Review

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
BASE	341.128	11.165 (8)	6.769
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

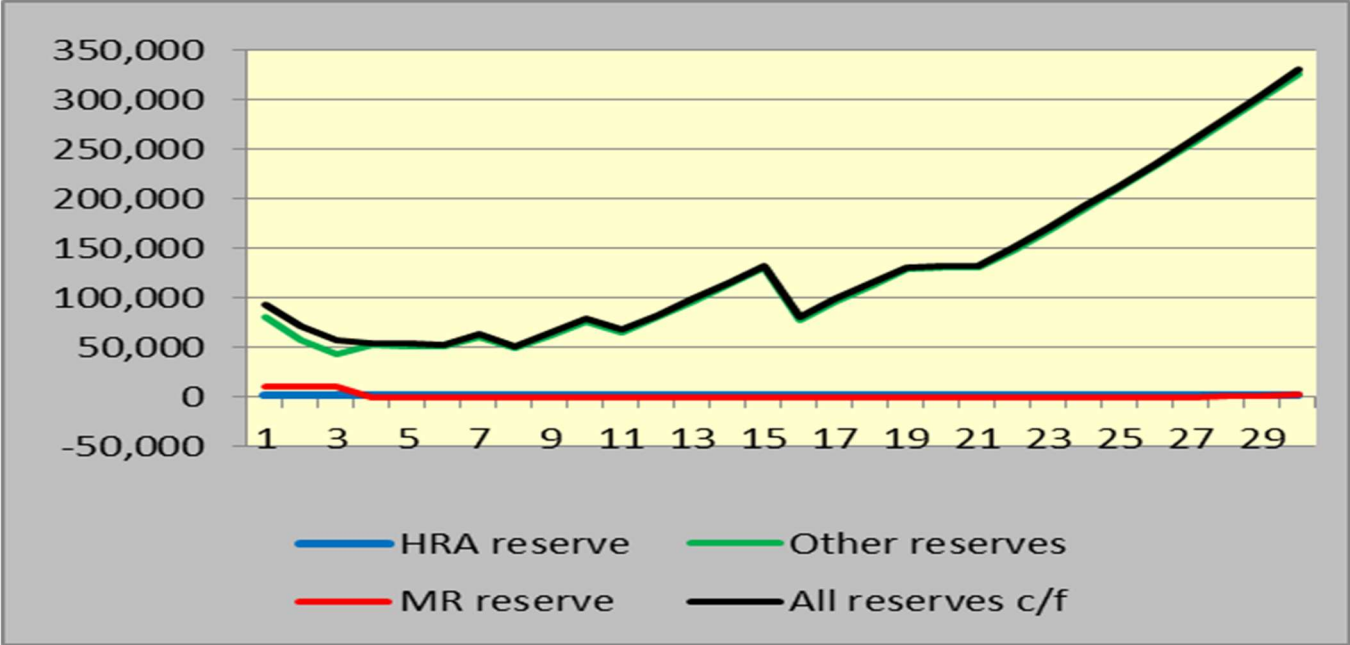
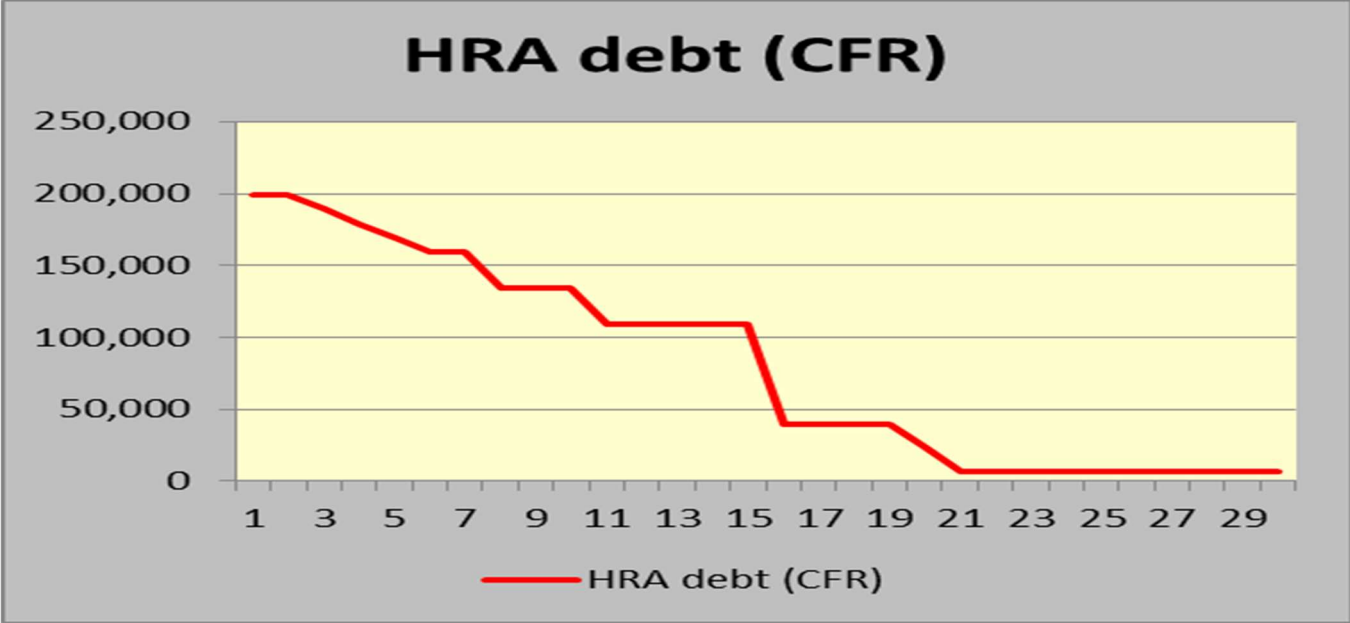


Chart 3.2 – Projected HRACFR based on refinancing of £45million loan





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	
HRA 30 YEAR SUMMARY																
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	
Total income	34,309	35,483	36,310	37,882	38,679	39,187	39,705	40,230	40,761	41,299	41,847	42,405	42,971	43,544	44,123	
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	
Total costs	17,946	19,526	19,791	20,119	20,369	20,708	21,042	21,650	22,095	22,531	22,976	23,430	23,892	24,364	24,845	
Net income from services	16,363	15,957	16,519	17,763	18,310	18,479	18,663	18,580	18,666	18,767	18,871	18,976	19,079	19,179	19,278	
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	
Net income/expenditure before appropriations	11,819	10,960	11,680	13,059	13,945	14,402	14,888	14,918	15,669	15,912	16,167	16,987	17,246	17,516	17,787	
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	
Net HRA Surplus/Deficit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA Balance brought forward	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	
HRA surplus/(deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA Balance carried forward	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	
Other reserves brought forward	97,712	35,363	13,318	646	9,709	9,255	9,550	20,268	8,665	22,833	37,266	26,976	42,529	59,527	76,808	
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	-10,290	0	0	0	
Other reserves carried forward	35,363	13,318	646	9,709	9,255	9,550	20,268	8,665	22,833	37,266	26,976	42,529	59,527	76,808	94,401	
HRA CAPITAL PROGRAMME																
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	
Capital programme	48,619	45,159	24,691	11,084	10,277	9,649	9,776	7,384	7,481	7,579	7,679	7,780	6,721	6,839	6,929	
Scheduled Loan Repayment	45,000	0	10,000	10,000	10,000	10,000	0	25,000	0	0	25,000	0	0	0	0	
<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	-10,290	0	0	0	
Capital financing	-93,619	-45,159	-34,691	-21,084	-20,277	-19,649	-9,776	-32,384	-7,481	-7,579	-32,679	-7,780	-6,721	-6,839	-6,929	
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Major Repairs Reserve b/fwd	11,878	10,821	10,846	10,866	0	0	0	0	0	0	0	0	0	0	0	
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	
Major Repairs Reserve c/fwd	10,821	10,846	10,866	0	0	0	0	0	0	0	0	0	0	0	0	

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
HRA 30 YEAR SUMMARY															
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
Total income	44,714	45,316	45,925	46,542	47,166	47,802	48,450	49,106	49,769	50,441	51,126	51,823	52,529	53,244	53,966
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
Total costs	25,336	25,837	26,347	26,868	27,399	27,941	28,493	29,056	29,631	30,217	30,815	31,425	32,046	32,681	33,327
Net income from services	19,378	19,479	19,578	19,674	19,767	19,861	19,957	20,049	20,138	20,224	20,311	20,399	20,483	20,563	20,639
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
Net income/expenditure before appropriations	18,070	18,954	19,241	19,498	19,759	20,393	21,092	21,364	21,663	21,963	22,267	22,575	22,888	23,205	23,521
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
Net HRA Surplus/Deficit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA Balance brought forward	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
HRA surplus/(deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA Balance carried forward	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Other reserves brought forward	94,401	87,321	106,168	122,282	138,614	140,215	140,024	157,975	178,980	200,347	222,064	244,137	266,571	289,459	312,664
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
Other reserves carried forward	87,321	106,168	122,282	138,614	140,215	140,024	157,975	178,980	200,347	222,064	244,137	266,571	289,459	312,664	336,185
HRA CAPITAL PROGRAMME															
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
Capital programme	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
Scheduled Loan Repayment	25,000	0	0	0	15,000	17,435	0	0	0	0	0	0	0	0	0
<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
Capital financing	-32,020	-7,114	-10,274	-10,455	-25,594	-28,169	-10,878	-8,250	-8,345	-8,455	-8,568	-8,683	-7,940	-8,086	-8,194
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve b/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	772	1,573
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
Major Repairs Reserve c/fwd	0	0	0	0	0	0	0	0	0	0	0	0	772	1,573	2,443

Council Report

Wards affected: All

Report of Chief Finance Officer

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Date: 9 February 2022

General Fund Budget 2022-23 and Medium Term Financial Plan 2023-24 to 2025-26

Executive Summary

This report outlines the proposed budget for 2022-23, which includes a Council Tax requirement for Guildford Borough Council 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. Parish Council's have requested precepts totalling £2,029,250 meaning the overall council tax requirement for the borough including parish precepts will be £12,927,991.

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 generate a further £86,000 in council tax income

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 £1.6million in 2023-24 which will rise to £3.8million by 2025-26. **Appendix 4** shows the budget movement summary of growth and savings which have been included in the General Fund Summary. **Appendix 5** details progress made against the Council's Savings Strategy. **Appendix 6** 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 7 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%.

The Joint Executive Advisory Board (JEAB) considered the outline budget at its meeting held on 11 November 2021. The Executive approved the Outline Budget on 23 November 2021. At its meeting held on 25 January 2022, the Executive considered this report and endorsed the recommendation below. The Executive also resolved:

- (1) That the transfers to/from reserves as set out in Section 8 and **Appendix 2**, be approved.
- (2) That the growth and savings items included in the General Fund Summary at **Appendix 2** and set out in detail in **Appendix 4**, be approved.
- (3) That the savings identified in the updated savings strategy at **Appendix 5** to be delivered over the medium term plan period, be approved
- (4) That the financial risk register set out in **Appendix 6** be approved and noted that the level of reserves are currently sufficient to meet the Council's risks.

Recommendation to Council

- (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 Guildford Borough Council 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 7** 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 in the 2022-23 budget process and the Council is asked to approve the budget and Council Tax for 2022-23.
- 1.2 The financial implications of proposals contained in the Capital and Investment Strategy, to be considered as part of this agenda are included in this report.
- 1.3 The report also sets out details of the transfers to/from earmarked reserves, which were approved by the Executive.

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 2021. 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 covers 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 government's '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 based on the parking Business Plan approved by executive on 25th January 2022
- (e) In autumn 2021, the government announced an increase of 1.25% on national insurance, a recurring growth of £423,000 has therefore 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 paragraph 5.3 below)
- (f) The interest and minimum revenue provision for debt repayment (MRP) have been updated to reflect the capital and investment strategy
- (g) The business rate income, Section 31 grant and collection fund surplus/deficit for business rates has been updated following completion of the NNDR1 return to government
- (h) The surplus/deficit on the council tax element of the collection fund has been calculated and included within the budget

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

- 5.1 We received the provisional Local Government Finance Settlement (LGFS) for 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

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

also estimates the surplus or deficit on the collection fund in respect of business rates. The estimated business rate income for 2022-23 is £26.2 million which is £7.5 million lower than the £33.7 million income budgeted for in 2021-22 due to the 2022-23 Retail, Leisure and Hospitality relief announced in the Budget in October 2021. The Section 31 grant has been estimated as £9.4 million which is £8.1million higher 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 £20.6 million of which, Guildford Borough Council's share is £8.3 million. The deficit consists of £3.8million deficit relating to the prior year and a £4.4million deficit relating to 2021-22. The deficit arises due to significant business rate relief granted during both 2020-21 and 2021-22 under the Government's small business and covid related retail, leisure and hospitality schemes. The reliefs were not budgeted as part of the 2020-21 and 2021-22 NNDR1 form or budget because they relate to the Covid-19 pandemic and the financial support measures the government introduced for businesses in response which were announced after the budgets had been set.
- 5.6 The Council receives Section 31 grant to offsets these reliefs however, the S31 grant is accounted for in the general fund whereas the impact of the reliefs is accounted for within the Collection Fund in the relevant year. The resulting deficits on the collection fund are then charged to the General Fund in the following year through the surplus/deficit calculation. As such there is a timing difference between years. It is the Council's policy is to transfer both the S31 grant and the surplus or deficit on the collection fund 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.

6. Council Tax, tax base and collection fund²

- 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

² 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 rats appeals.

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 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 March 2022. The surplus consists of a brought forward deficit on the collection fund of £2.09million as at 31 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 this Council, Surrey Police and Crime Commissioner, and Surrey County Council. The Government has allowed councils 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	CTAX Demand
					2022/23	
	£	£	£	£	£	£
Guildford BC	(39,415.06)	(260,164.57)	220,749.51	91,690	43,020	(125,455.06)
Surrey PCC	(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)
Total	(374,823.83)	(2,474,076.47)	2,099,253	871,725	409,176	(1,193,175.83)

- 6.5 The Council's share of the surplus 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 of £102million and debt funded capital expenditure of £37.4 million. This figure is included in the proposed budget.

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 as approved by the Executive

Business Rate Equalisation Reserve

- 8.4 The balance on the business rate equalisation fund is anticipated to be £7.8million at 31 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 valuation) 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 recommended making a contribution of £9.2million from the reserve to fund the projected collection fund deficit and business rates levy payable for 2022-23. Taking both items together, the net transfer from the reserve is £7.2million for 2022-23.

New Homes Bonus Reserve

- 8.5 The Council adopted a new homes bonus policy in February 2016. The policy assumed that the first £1million 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 31 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 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 £433,000 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

- 8.7 The balance on the car parks maintenance reserve as at 31 March 2022 is anticipated to be £2.4 million due to financing repairs to 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 proposed 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. For 2022-23 contributions of £508,000 will be taken from the reserve to fund the proposed capital programme and £180,000 to fund the delay in implementing the shopper tariff increases set out in the parking business plan. from 1st April to 1st July 2022. As a result the net amount will be a contribution from the reserve of £333,000 for 2022-23.

IT Renewals

- 8.8 The anticipated balance on the ICT renewals fund as at 31 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 recommended 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

- 8.9 Officers proposed 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 non-essential expenditure freeze and savings action plan put in place to offset the income losses arising from the on-going impact of the COVID-19 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
Total Directorate Level	18,875,957	18,596,875	(279,082)	Removal of inflation from car park income budgets
Provisional Savings & Growth	(2,272,541)	(679,604)	1,592,937	Revision of unison pay claim, pay increments cost, GBC-WBC collaboration costs and savings, car park income reduction (due to utilisation only returning to 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	
Directorate Level excl. depreciation	7,812,846	9,126,701	1,313,855	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	1,008,000	508,000	Transfer from car parks maintenance reserve to capital programme as per capital and investment strategy and parking business plan
Transfers to/(from) reserve	(4,679,667)	(5,356,218)	(676,551)	Increased transfer from the Business rates equalisation reserve following LGFS & NNDR1 return, amended transfer from car parks maintenance reserve as per parking business plan, increased transfer to Invest to Save reserve and New Homes Bonus Reserve
Total after transfers to/(from) reserve	6,675,867	5,826,536	(849,331)	
Net Retained Business Rates	5,451,434	6,297,066	845,632	Updated as per the provisional LGFS and NNDR1 return
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)	(168,475)	Updated for collection fund surplus / deficit calculation
Parish Precept	0	2,029,250	2,029,250	As notified by parish councils
Council Tax Requirement	12,057,321	12,927,991	870,670	
Council Tax Requirement excl. Parish Precepts	12,057,321	10,898,741	(1,158,580)	

	Executive (23 Nov 2021)	Proposed Budget Appendix 2	Movement	Comment
Max Council Tax income available	(10,812,400)	(10,898,310)	(85,910)	Ability to increase council tax by £5 rather than 2% as per provisional LGFS
Budget Gap (Council Tax requirement less parish precepts less max council tax income)	1,244,921	431	(1,244,490)	

- 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 £3.8 million is needed over the period to 2025-26 as highlighted in the graph 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 **Appendices 4 and 5**.
- 9.6 **Appendix 5** 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 savings identified have been included within the budget and medium term financial plan.
- 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 4 and will be monitored through reports to Overview & Scrutiny Committee 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 4. 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, 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 £7.6million of savings in the medium term financial plan, the Council still has a projected budget gap of £3.8million over the medium term. Officers are continuing to work to identify further 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 7**. The charges have been increased by 3% where market factors allow, in line with the assumptions set by the 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 and Corporate Governance and Standards Committee in January 2022. In addition, the project mandates on the savings projects set out in the savings strategy have been discussed with the EABs throughout the year as shown in **Appendix 5**.
- 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 requires the Council's Chief Finance Officer (as defined by the Local Government Act 1972 section 151) 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 an affirmative outcome of a referendum. In setting the Council Tax for the next financial year and in agreeing the Council's budgetary requirements, the Council will need to take into account these limits. The local government financial settlement allows for an increase of less than 3% or up to and including £5 per Band D property, whichever is the higher.

Constitutional arrangements

- 14.10 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 provide that votes at key budget decision meetings must be recorded. The Council's Constitution provides in Part 4 – Council Procedure Rule 19 (d) that a recorded vote shall be taken at a meeting of the Council in respect of any motion or amendment to approve the budget or set council tax.

Restrictions on voting

- 14.11 Councillors should be aware of the provisions of the Local Government Finance Act 1992 section 106 that applies where:
- (a) they are present at a meeting of the Council, the Executive or a committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months, and
 - (b) any budget or council tax calculation or recommendation or decision, which might affect the making of such calculation, is the subject of consideration at the meeting
- 14.12 In these circumstances any such councillors shall at the meeting and as soon as practicable after its commencement disclose the fact that section 106 applies to them and shall not vote on any question concerning the matter in (b) 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 £3.8 million over the period to 2025-26.

17. Background Papers

None

18. Appendices

Appendix 1: Chief Finance Officer's statutory report (including Long Term Financial Strategy)
Appendix 2: General Fund Summary
Appendix 3: General Fund Service Summary Budgets
Appendix 4: Budget Movement Summary
Appendix 5: Savings strategy update
Appendix 6: Financial Risk Register
Appendix 7: Fees and Charges Schedule for 2022-23

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CHIEF FINANCE OFFICER'S STATUTORY REPORT

Introduction

- 1.1 The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and adequacy of proposed financial reserves. The report below provides a strategic overview of the Council's financial position before making specific considerations on the 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)

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Appendix 1

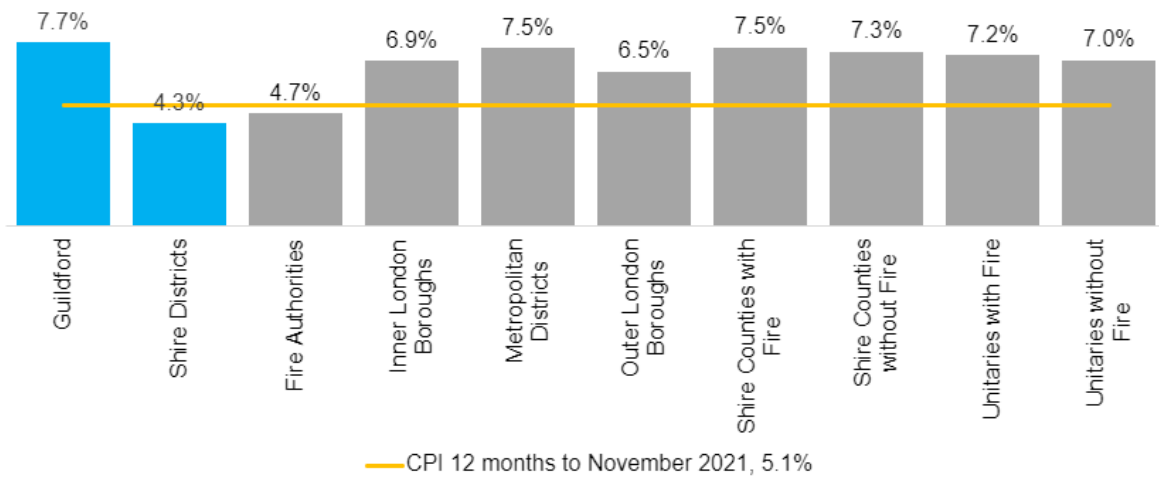
- e. That a new 'services grant' of £202,000 would be received to help offset the cost of national insurance increase (note the cost of the increase is £343,000). This grant is for one year only and will not be subject to any transition arrangement in any funding reform for local government

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 ²	-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 £1.8million, which is £2.9million 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	26.2
S31 Grant	1.1	1.2	2.4	20.2	2.9	9.4
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	-2.0
Pilot or pooling gain	0.5	1.0	0	0	0	0
Net BRRS Income	7.1	6.5	4.6	1.7	4.7	1.8
Total Business Rates Collected	88.1	87.2	90.5	38.6	84.3	65.4
% Business Rates Retained	8.0%	7.4%	5.0%	4.4%	5.6%	2.75%

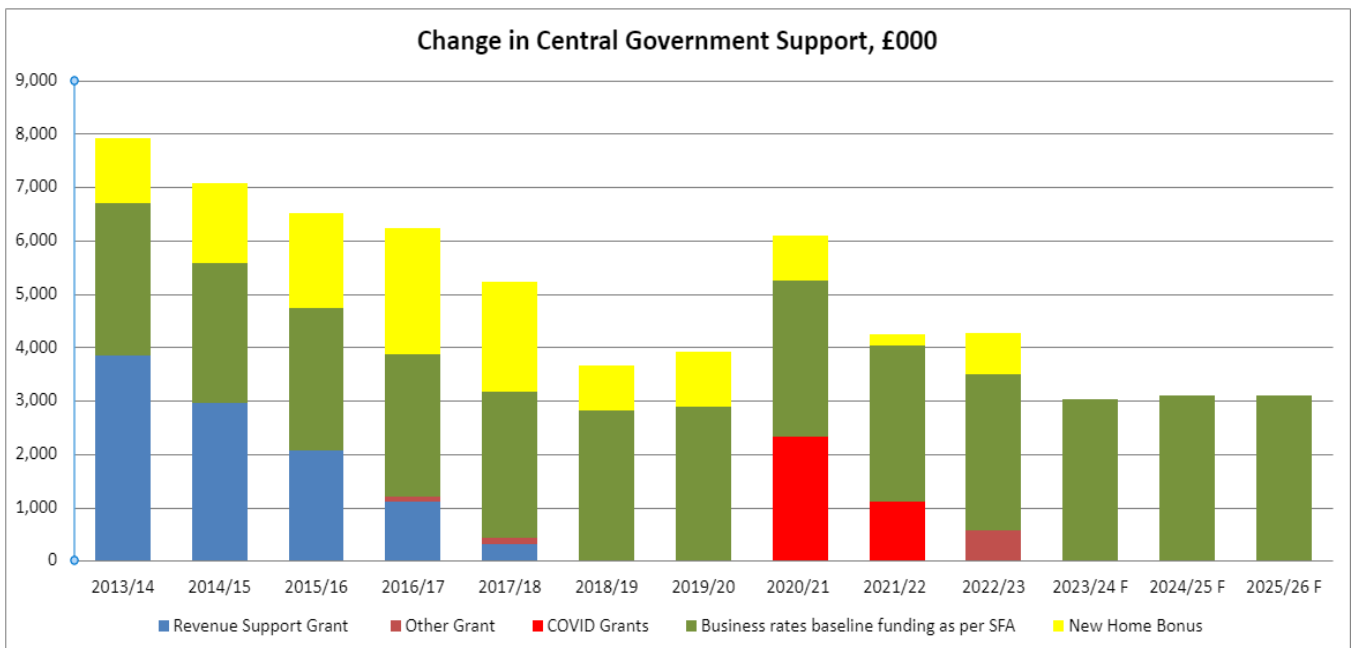
3.5 Since 2018-19, the Council has not received Revenue Support Grant (RSG) from Government. As a result, the SFA for Guildford is now entirely related to the business rates baseline funding level.

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 changes to the NHB in recent years, means that award of NHB is only made if

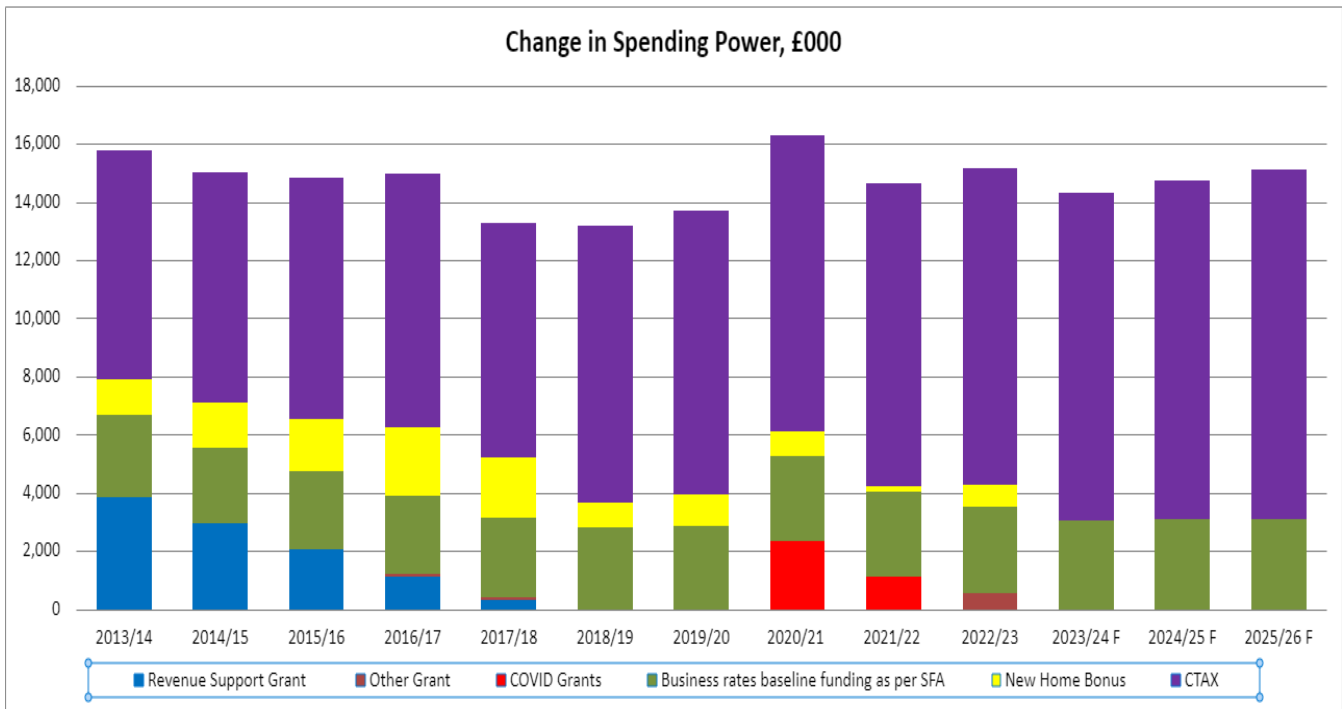
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housing growth exceeds a 0.4% baseline and legacy allocations of funding are being phased out. Although the Government continues to pay the legacy payments from New Homes Bonus Grant awarded since 2018-19 for a period of 4 years, the awards in respect 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 is 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)

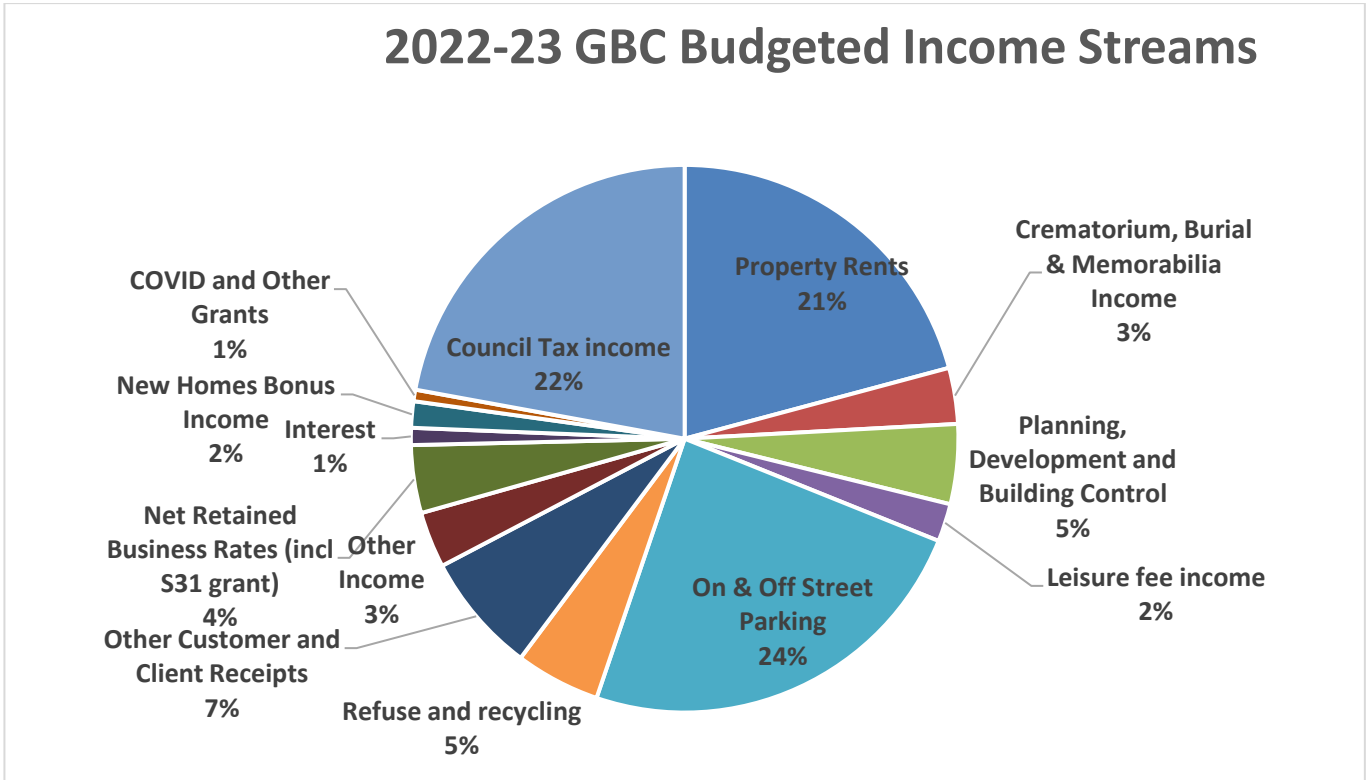
3.12 Initially the reform was scheduled to be implemented in April 2020, it was then delayed initially due to Brexit and then due to the current pandemic and is now anticipated to be implemented by April 2023. The Council has responded to the consultations issued so far and will continue to respond to 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.

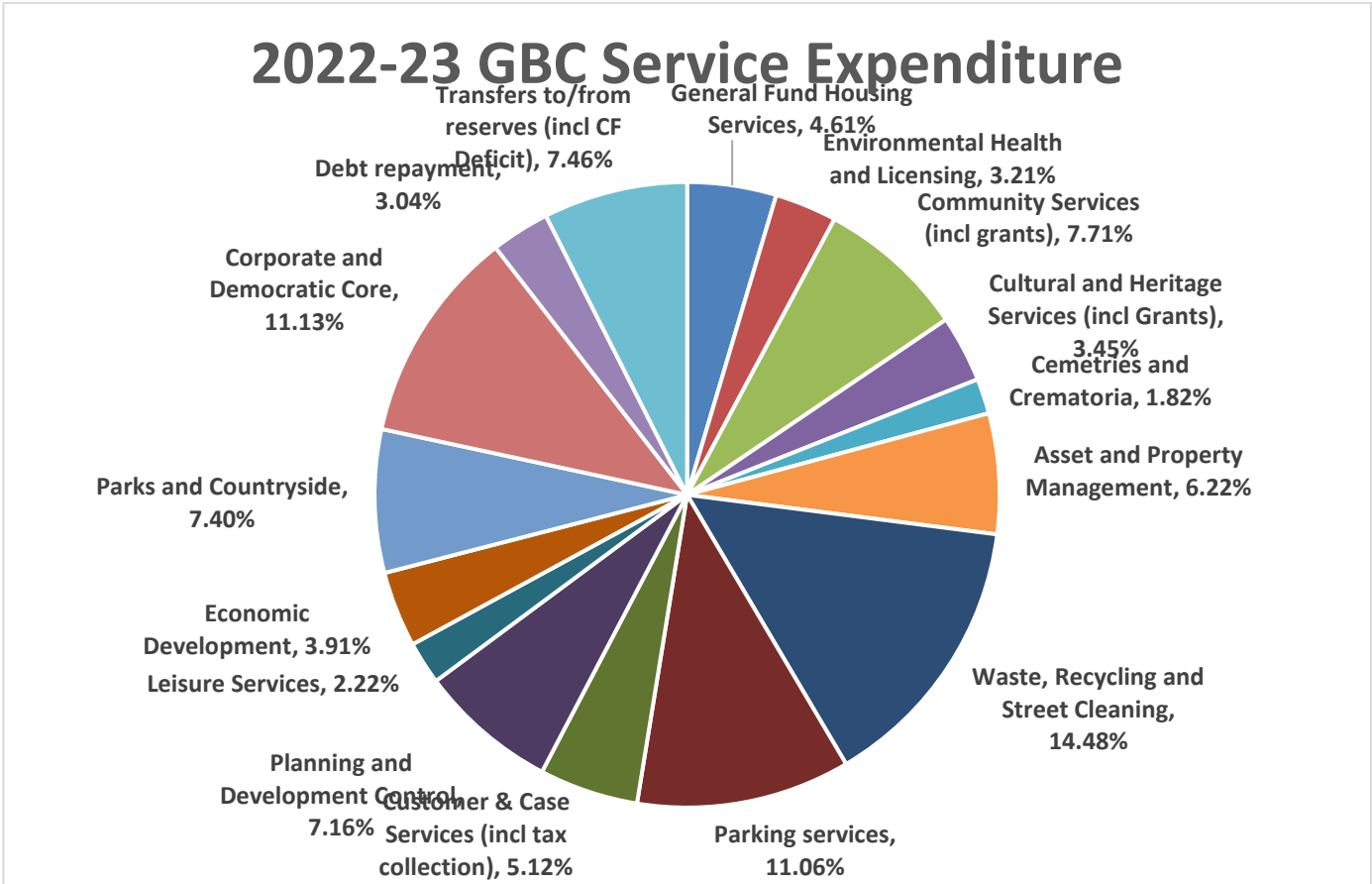
General Fund Main Income Streams and Expenditure

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 (Annex A)

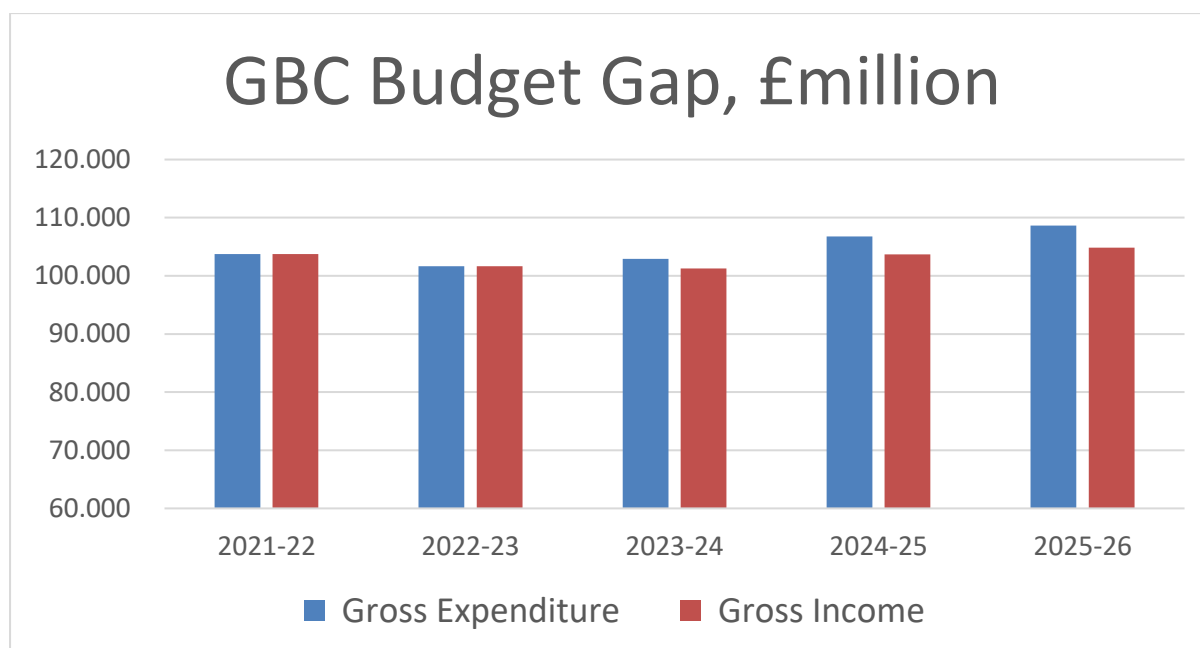
- 7.1 The medium to long-term financial strategy (LTFS) (set out in Annex A) and capital and investment strategy provide a framework within which we will prepare annual spending plans and medium-term financial plans. In essence, it sets a framework for our spending plans and use of resources over the 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.

	2022-23 %	2023-24 %	2024-25 %	2025-26 %
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 £2.8m 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 5) 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	101.633	102.911	106.784	108.643
Gross Income	103.732	101.632	101.265	103.681	104.825
Budget Gap (difference between Expenditure and Income)	0.000	0.000	1.646	3.104	3.819

7.8 We estimate that the funding gap totals approximately £3.8 million over the plan period (to 2025-26). However, sensitivity analysis shows this could be within the range £3.4 million to £6.8 million.

7.9 A budget gap of £1.6 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 7.5, the medium-term budget gap already assumes that further savings and additional income shown in the budget movement summary at **Appendix 4** 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 the Council's medium-term financial strategy at Annex A and Appendix 5. 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 4.

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 repaying 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 Equivalents (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 6**. 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.

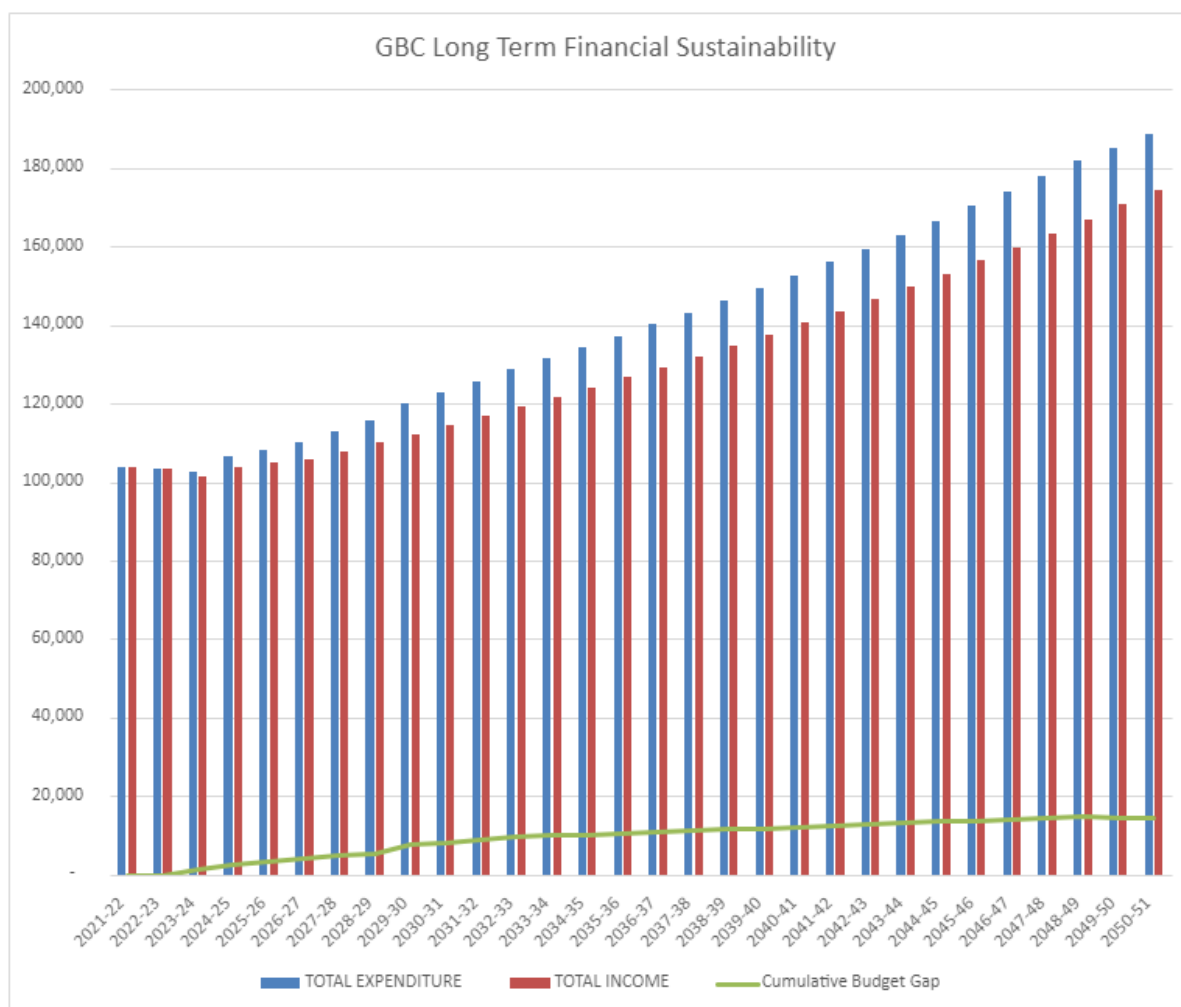
9.4 In addition to the CIPFA financial resilience indicators, as part of the capital and investment strategy we have introduced a series of local indicators which look at:

- 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.



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
Usable Capital Receipts Reserve (General)	0.1	0.1	0.1
Usable Capital Receipts Reserve (housing related)	8.8	3.7	0
Total Usable Reserves	191.0	121.9	123.6

- 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 6** 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 6** 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

- 11.1 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.

- 11.2 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

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 councils 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 useable 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.
12. 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.

13. 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.
14. 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.
15. 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.
16. 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.
17. 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

18. 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.
19. 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.
20. 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.
21. We will review each year how the capital programme is to be financed in relation to capital receipts, revenue or earmarked reserves.
22. 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.
23. 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.
24. 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.
25. 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

assets will be recycled to finance replacement investment property assets or the Council's capital investment programme.

26. 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

27. The Council will use surpluses on the HRA to build reserves for redevelopment and major investment in existing stock, the development of new build housing within the HRA and regeneration projects that include an element of affordable housing
28. The Council will repay its HRA self-financing debt if there are sufficient funds available to do so after items in point 27 are financed. Remaining surplus' following the repayment of debt will be placed into reserve for future investment projects.
29. 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.
30. The Council will consider providing capital grant funding to appropriate affordable housing schemes.
31. 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

Budget Council Feb 21
Revised Estimate
2021-22
£

GENERAL FUND SUMMARY

	Projection 2022-23 £	Projection 2023-24 £	Projection 2024-25 £	Projection 2025-26 £
Directorates - Net Expenditure				
1,810,804	1,207,529	1,390,993	1,578,069	1,768,829
14,652,320	13,416,241	13,447,222	13,189,667	13,012,461
2,129,803	3,973,104	3,689,286	3,867,770	4,049,772
18,592,927	18,596,875	18,527,501	18,635,506	18,831,062
	896,637	988,637	1,886,637	2,086,637
	(1,576,241)	(2,309,491)	(3,381,741)	(3,620,491)
		2,000,000	2,000,000	2,000,000
(8,791,000)	(8,790,570)	(8,730,770)	(8,789,970)	(8,789,970)
9,801,927	9,126,701	10,475,877	10,350,432	10,507,238
(682,726)	(551,090)	686,636	653,891	1,338,971
481,700	53,930	42,650	35,830	36,750
1,534,915	1,545,213	2,246,812	4,136,779	4,294,854
0	0	0	0	0
Revenue Contributions to Capital Outlay (RCCO)				
0	0	0	0	0
537,000	1,008,000	500,000	500,000	500,000
0	0	0	0	0
11,672,816	11,182,754	13,951,975	15,676,932	16,677,813
Transfers to and from reserves				
Capital Schemes reserve				
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(15,981,580)	(7,247,218)	(298)	14	56,457
63,000	(333,000)	412,000	470,000	530,000
63,000	63,000	63,000	63,000	63,000
0	0	0	0	0
543,000	543,000	293,000	293,000	293,000
250,000	433,000	250,000	250,000	250,000
0	0	0	0	0
(298,000)	766,000	0	0	0
(260,000)	0	0	0	0
0	0	0	0	0
0	0	0	0	0
193,000	196,000	200,000	204,000	208,000
0	0	0	1	2
112,000	223,000	223,000	223,000	223,000
(3,642,764)	5,826,536	15,392,677	17,179,947	18,301,272
Business Rates Retention Scheme payments				
31,844,000	31,844,000	31,848,000	32,465,000	33,114,000
100,000	2,058,829	0	0	0
Non specific government grants				
(2,966,832)	(9,435,914)	0	0	0
(100,000)	(240,621)	0	0	0
0	0	503,597	650,749	663,764
(622,690)	0	0	0	0
(389,546)	(333,250)	0	0	0
(192,251)	(766,155)	0	0	0
24,029,917	28,953,424	47,744,274	50,295,697	52,079,037
1,935,225	2,029,250	0	0	0
25,965,142	30,982,674	47,744,274	50,295,697	52,079,037
(33,727,000)	(26,199,000)	(34,876,000)	(35,552,000)	(36,263,000)
0	0	0	0	0
20,120,077	8,269,772	0	0	0
(30,274)	(125,455)	43,020	0	0
12,327,945	12,927,991	12,911,294	14,743,697	15,816,037
Council tax requirement excluding Parish Precepts				
10,392,720	10,898,741	12,911,294	14,743,697	15,816,037
57,159	58,335.91	59,153.51	59,957.51	60,622.31
181.82	186.83	218.27	245.90	260.89
	2.76%	16.83%	12.66%	6.10%
	221.61	218.27	245.90	260.89
	2.75%	1.94%	1.94%	1.94%
	186.82	190.44	194.14	197.91
	10,898,310	11,265,450	11,640,090	11,997,470
	10,898,741	12,911,294	14,743,697	15,816,037
	0	1,646,000	3,104,000	3,819,000
	0	1,646,000	1,458,000	715,000

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2022-23 Budget - Service Detail

APPENDIX 3

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	
Resources Directorate	919,300	5,675,923	-8,733,255	1,750	4,235,467	1,605,500	14,800		253,620	3,973,104	
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	
Service Delivery Directorate	7,590,350	17,961,490	-67,423,168	7,196,314	10,200,091	5,333,545	2,290	27,800,000	4,755,328	13,416,241	
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
Strategy Directorate	280,920	4,078,051	-11,505,446	1,987,582	4,007,569	2,249,328			109,525	1,207,529
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								
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
	Electoral Registration		90,913	-26,808	2,500	159,995	34,120			1,373
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
Grand Total	8,790,570	27,715,464	-87,661,870	9,185,647	18,443,127	9,188,373	17,090	27,800,000	5,118,473	18,596,875

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Guildford BC Budget Movement Summary

APPENDIX 4

	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
	£m	£m	£m	£m	£m
Brought forward budget	10.4	9.4	13.2	14.9	47.9
Inflation and other unavoidable adjustments	0.0	0.3	0.3	0.3	
Pressures (Growth items)	0.9	2.2	0.9	0.2	4.2
Increased borrowing costs of Capital Programme	(0.3)	1.9	1.9	0.8	4.3
Identified Efficiencies	(1.6)	(0.7)	(1.2)	(0.3)	(3.8)
Total budget requirement (CTAX Requirement)	9.4	13.2	14.9	15.9	53.5
Change in net budget requirement	(1.0)	3.7	1.8	1.0	5.5
Change in use of reserves	(1.4)	(2.0)	0.1	0.1	(2.3)
Funding Reductions	2.4	(0.1)	(0.3)	(0.4)	1.6
Budget Gap (Reductions still to find)	0.0	1.7	1.5	0.7	3.9

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	0.246	0.000	0.000	0.000	0.246
Salary increments	growth for salary increments (assume 1% of total pay) as per staff pay scheme and contractual obligations	0.485	0.000	0.000	0.000	0.485
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	0.423	0.000	0.000	0.000	0.423
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.	0.836	0.000	0.000	0.000	0.836
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.	(0.604)	(0.180)	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: 12
Appendix 4

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
Making Guildford 'Pesticide free'	increase in costs for environmental management to remove the use of pesticides as set out in the Motion to Council on 7 December 2021	0.048	0.072	0.165	0.200	0.485
Guildford Waverley collaboration	provision for implementation costs associated with the joint management team	0.050				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)
Leisure grants - Yvonne Arnaud Theatre	Phased reduction of grant funding as per report to Executive 25th January 2022	(0.037)	(0.037)	(0.037)	0.000	(0.110)
Review of Day Care Provision for the Elderley	Implementation of the actions from the review and consolidation of services at 'The Hive'	(0.170)	0.000	0.000	0.000	(0.170)
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	2.9	(1.2)	(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 5

Medium Term Financial Strategy Theme				Savings Achieved	Expected Profile of Savings still to be achieved					Included in 2022-23 Budget?
Service Area	Description of suggested action	Rough order of magnitude of savings. £	Progress	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL	
Discretionary Services										
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
Leisure Services	Look to retender the GLive and Spectrum contracts (Medium term action post covid)	tbc	Mandate being prepared. Glive 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 relates to 3	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	User consultation complete project reported to EAB in January 2022 and recommendations approved		170,000				170,000	yes
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, and further consideration by service delivery EAB on 4th November 2021. Currently out to public consultation.		65,000				65,000	yes
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
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
Mayoralty	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
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. Agreed by Executive in November 2021	11,750	75,000	25,000			111,750	yes
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. Agreed by executive in November 2021`	35,000	35,000	5,000	3,000		78,000	yes
	Theatre	310,000	Mandate presented to EAB in december 2021 and report agreed by Executive on 25th January 2022.		35000	50000	25000		110,000	yes

Medium Term Financial Strategy Theme				Savings Achieved	Expected Profile of Savings still to be achieved					Included in 2022-23 Budget?
Service Area	Description of suggested action	Rough order of magnitude of savings, £	Progress	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL	
Culture, Heritage and Tourism	Tourism	200,000	Mandate being prepared	tbc						0 no
	Museum, Galleries and Heritage	407,000	Mandate being prepared	tbc						0 no
TOTAL Discretionary Services		2,382,000		158,545	495,545	168,750	416,750	88,750	1,328,340	
Operation Assets										
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
Total Operational Assets		1,500,000		0	0	0	0	0	0	
Capital Programme	reduction in MRP / Interest costs as a result of reducing the capital programme	500,000	Executive in August 2021 (Guildford Gyrotory, Stoke park office Accommodation and Stoke Park Home Farm development) totalling £15.6million 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. Savings based on capital and investment strategy presented to Jan 2022 executive	178,097	1,964,225	1,612,137	617,807	1,250,825	5,623,091	yes
Collaboration with another Council										
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
	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	
TOTAL SAVINGS STRATEGY		5,882,000		359,142	2,587,270	1,980,887	#####	1,489,575	7,651,431	

FINANCIAL RISK REGISTER 2022-23

Appendix 6

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
	Funding delayed or unavailable, income reduced or costs increased or reserves used because ...				
O 01	Unable to achieve additional meter income built into Budget in respect of Off Street Parking Charges.	112.00	<ul style="list-style-type: none"> •Monitor income against budget and consider other charging options to meet potential shortfall. •Reduce operating costs •Town centre development, business development 	Head of Operational and Technical Services	£ 1,278,427
O 02	Unable to recover arrears from investment property and industrial estates tenants.	120.00	<ul style="list-style-type: none"> •Review rents •Agree payment plans • Actively pursue recovery of all arrears. Take swift action against non-payers to prevent large arrears building up. 	Head of Asset management	£ 552,007
O 03	Business Rates liabilities for assets exceed estimates	32.00	<ul style="list-style-type: none"> •Market vacant properties quickly. Look at alternative lettings for void properties, e.g. short term lets, charity lets etc., to avoid rates liability • 	Head of Asset management	£ 63,239

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 04	Underachievement of Future Guildford Transformation savings	24.00		Director of Resources	£ 258,264
O 05	Serious case reviews on behalf of other authorities. Risk of incurring the costs of investigation regarding a serious case review. It is difficult to predict if and when this may occur	48.00	•unable to mitigate	Director of Service Delivery	£ 8,333
O 06	Collapse of major contractor eg, Leisure Services, Parking Services (Pay by Phone) or Cultural Services	12.00	Due diligence and credit checking of major contractors. Contract monitoring. Step in rights on the Leisure contract by GLL. Officer step in rights on Glive contract. Weekly cash transfer on pay by phone contract	Leisure Services Manager	£ 94,537
O 07	SCC provision and funding of Park and Ride, both existing and new sites or termination of the agency agreement with SCC for on-street parking enforcement in Waverley.	36.00	Effective liaison with local committee. Seek bus contract savings and alternative income sources	Head of Operational and Technical Services	£ 136,073
O 08	Risk of additional administration costs of new legislation and fines arising as a result of breaches in legislative duties (eg, data protection, information management, corporate manslaughter, air quality management)	16.00	Most areas well embedded and monitored by Corporate Governance Group or Corporate H&S group	Director of Resources	£ 1,255,254

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 09	Loss of external funding from Enterprise M3 or Homes and Community Agency (HCA) due to project slippage or government reducing funding to EM3 / HCA - revenue impact of capital schemes	24.00	Monthly budget monitoring of capital grant claim income by accountants and project managers. Representation at LEP board and working groups. Regular Liaison meetings with HCA.	Director of Resources	£ 162,501
O 10	Loss of income from external grounds maintenance contracts with SCC highways and Kings College	8.00	SCC contract renewed for another 4 years, Kings college contract being reviewed in 2016	Parks and landscape manager	£ 8,071
O 11	Housing benefit processing errors leading to DWP claim qualification	14.00	Have extra checking in place since 2014-15, and we are being very careful and checking the work of resources from Civica OnDemand. New assessors will be trained and will have their work checked	Lead Specialist - Revenues and Benefits	£ 5,381
O 12	Increased risk of judicial reviews and the legal costs associated with defending the council. Risk of JR due to opposition to strategic development sites within local plan.	30.00	<ul style="list-style-type: none"> Detailed project planning and following due process, use of legal planning expertise 	Director of Service Delivery	£ 16,667

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 13	Reduction in the council's baseline need to spend following the fair funding review and introduction of 75% business rates retention in 2023	12.00	•Medium term financial plan that is based on prudent assumptions, sensitivity testing of future budget assumptions to be introduced , consider targetting transformation programme to overachieve by 20%	Director of Resources	£ 4,425
O 14	Treasury Management Counter Party Bail in	16.00	Effective treasury management strategies, policies and controls. Use of Professional Advisors.	Lead Specialist - Finance	£ 20,000
O 15	S106 Clawback and/or collection risk	54.00	we don't tend to add a claw back clause on monies for applicants on new section 106 agreements and where these types of clauses do exist there tends to be wording along the lines of where the monies is unallocated, committed or unspent	Lead Specialist - Finance	£ 83,333
O 16	Increased cost of planning appeals due to applications arising on unplanned sites in the Local Plan	54.00		Planning Development Manager	£ 16,667

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 17	Major Emergency / Civil Incident or Severe Weather event	256.00	Effective Emergency Planning and Government Bellwin Scheme. Adequate general fund balances.	Director of Service Delivery	£ 3,834,295
O 18	Capital programme & Regeneration schemes - unavoidable scheme costs that can't be met by capital contingency fund or cost escalation due to complexity of regeneration schemes (revenue implications due to low capital balances)	36.00	Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Lead Specialist - Finance	£ 333,332
O 19	Capital Programme & Regeneration scheme - impact of projects on capital vision coming forward earlier than expected (revenue implications due to low capital balances)	8.00	•Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Lead Specialist - Finance	£ 100,000
O 20	Capital programme & Regeneration schemes - revenue impact of slippage in programme by 12 months (MRP / Interest cost reduction)	64.00	Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Lead Specialist - Finance	£ 103,000

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 21	Implementation of the Community Infrastructure Levy - impact of reduced S106 income	72.00	Draft scheme consulted on during 2014.15 but implementation delayed along with local plan. Seek identification of alternate funding options for openspace, sports and recreation space or play spaces prior to implementation. CIL may produce more money than S106 and it does provide greater flexibility in terms of what it can be spent on but the vast majority will go to highways, schools.	Planning Policy Manager	£ 18,832
O 22	SCC Financial Sustainability; possible impact of local government re-organisation	48.00	Representation on work streams to ascertain early warning of changes and cost pressures. Process requires political support.	Director of Resources	£ 66,666
O 23	Increase in benefit claimants and bad debts	84.00	•unable to mitigate	Exchequer services manager	£ 74,789

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
O 24	Potential increase in homelessness	84.00	<ul style="list-style-type: none"> •Review homelessness management and consider outsourcing •Consider buying properties to increase housing stock •Investigating alternative methods of provision for emergency accommodation to reduce cost 	Housing Advice Manager	£ 28,596
O 25	Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected	256.00	<ul style="list-style-type: none"> •Treasury Management Strategy focussed on investment diversification, risk management and control of investments and borrowing 	Lead Specialist - Finance	£ 59,303
O 26	1 % Loss of income from Fees and Charges	48.00	<ul style="list-style-type: none"> •Budget monitoring and corrective action 	Director of Resources	£ 350,096
O 27	Inability to achieve savings required to close the medium term budget gap	256.00	Tight Monitoring of savings strategy and plans	Director of Resources / CMT	£ 252,799
O 28	Business Rates Retention Scheme (BRRS) volatility; impact of higher than anticipated appeals	48.00	<ul style="list-style-type: none"> •Use of BRRS reserve 	Director of Resources	£ 94,525

Level of Reserves required as per risk register	£ 9,279,411
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	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				

Level of Expected Reserves Available 31st March 2021

General Fund (GF) reserve	£ 3,748,000
GF earmarked reserves available to manage financial risks (and would not necessarily have to be replaced)	£ 10,677,000
GF earmarked reserves that would need to be replaced if used (eg, sinking funds, SPA endowments, renewals & maintenance funds etc)	£ 22,393,000
	£ 36,818,000

**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 %
To be approved by Council				
Gypsy Caravan Sites - Pitch Rental				
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%
Stray Dogs				
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%
Microchipping of Dogs (England) Regulations 2015				
Microchipping of dog - seizure of dog, microchipping by vet and return to owner	Fee no longer applicable	Fee no longer applicable		
Registration – Acupuncture, tattooing, etc.				
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%
Pest Control				
(The charges shown are based on the cost of labour, transport plus materials)				
Domestic Premises				
Wasps (max 1 nest per premise)	70.00 *	70.00 *	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		
Domestic Premises where the main occupier is receiving income support or benefits				
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		

* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Services of Environmental Health Officer - per hour or part thereof	63.00 *	63.00 *	65.00	3.2%
Due to the England Local Authority review of fees and charges these may be subject to change				
Miscellaneous Extracts from Registers - Food Safety Act, per page. Under the Freedom of Information Act 2000 the charge is waived as the cost of collecting the fee is more than the charge.	Free of Charge	Free of Charge		
Sex Establishments - Fixed by Council Application fee	1,522.00	1,522.00	1568.00	3.0%
Fee of Grant	155.00	155.00	160.00	3.2%
Contaminated Land & Air Quality 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>				
Private water supply 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		
Extracts from Registers Environmental Protection Act - per page	Free of Charge	Free of Charge		
Miscellaneous Reports to Solicitors on the circumstances relating to workplace accidents (excl. cost of photographs) - up to 2 hours, extra charged at the hourly rate From April 2017 this will be charged at the hourly rate	63.00	63.00	65.00	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 %
Animal Activities Licensing				
The law has changed as of 1 October 2018 and the Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 are now in force.				
Premises already licensed under the old legislation will continue to be licensed until such time as their licence expires. They will then have to apply for a new licence under the new regulations.				
Animal Boarding				
Application Fee	672.00	672.00	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>				
Home Boarding				
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>				
Dog Day Care				
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>				
Dog Breeding				
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>				
Keeping Animals for Exhibition				
Application Fee	283.00	283.00	291.00	2.8%
Fee for Grant	142.00	142.00	146.00	2.8%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
Selling Animals as Pets				
Application Fee	446.00	446.00	459.00	2.9%
Fee for Grant	223.00	223.00	230.00	3.1%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
Hiring out Horses				
Application Fee	545.00	545.00	561.00	2.9%
Fee for Grant	273.00	273.00	281.00	2.9%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				

* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Dangerous Wild Animals				
-New	408.00	408.00	420.00	2.9%
-Renewal	213.00	213.00	219.00	2.8%
Zoo Licence				
-New	2,375.00	2,375.00	2446.00	3.0%
-Renewal	2,375.00	2,375.00	2446.00	3.0%
Each Additional Licence Activity				
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%
Street Trading				
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				
Day Centres				
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%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Membership Fees:				
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>				
Meals on Wheels Service				
Price per meal	4.40	4.40	4.50	2.3%
Hire of Halls				
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%
Community Transport Service				
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%

* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Single Journey				
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%
Handyperson Service - Available for the over 60's, disabled and vulnerable				
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		
Approved under Delegated Authority				
Private Sector Housing				
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)	885.00	885.00	912.00	3.1%
Late application fee	No longer applicable	No longer applicable		
Careline				
Weekly Charges				
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%

* = includes VAT at 20%

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Caravan Licence				
New Licence Application				
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%
Transfer of Existing Licence				
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%
Application to vary a Site Licence				
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%
Annual Licence Fee				
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%
Deposit of Site Rules				
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%
Scrap Metal				
Site Licence	204.00	204.00	210.00	2.9%
Mobile Collector	187.00	187.00	193.00	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 %
Local Authority Pollution Protection Control				
Fees are set by Statute and are available on request from the Environmental Control service.				
Hackney Carriages and Private Hire Vehicles				
Hackney Carriage Vehicle (new/renew)	#	#		
Private Hire Vehicle (new/renew)	#	#		
Hackney Licence Vehicle Change	#	#		
Vehicle Licence Plates	#	#		
Private Hire Vehicle Change	#	#		
Test Fee	#	#		
Hackney carriage temporary vehicle licence (3 months)	#	#		
Private hire temporary vehicle licence (3 months)	#	#		
Private hire vehicle signs (two signs)	#	#		
Hackney Carriage and Private Hire Drivers				
Hackney Drivers Licence Fee (new/renew)	#	#		
Private Hire Drivers Licence Fee (new/renew)	#	#		
Hackney Drivers Knowledge Test	#	#		
Private Hire Drivers Knowledge Test	#	#		
Private Hire Replacement Badge	#	#		
Convert from Private Hire Driver to Hackney Carriage Driver	#	#		
Private Hire Operators Licence				
	#	#		
# subject of a report to Licensing Committee date tbc, and a further period of statutory consultation.				

	2020-21 from 1 April 2020 £	2021-22 4.1% from 1 April 2021 3.0% £	2022-23 Proposed	Increase %
Statutory Permits				
Unlicensed Family Entertainment Centre				
- new application	300.00	300.00	300.00	0.0%
- fast track application	100.00	100.00	100.00	0.0%
- renewal	300.00	300.00	300.00	0.0%
- change of name	25.00	25.00	25.00	0.0%
- copy permit	15.00	15.00	15.00	0.0%
Club Gaming Permit				
- new application	200.00	200.00	200.00	0.0%
- fast track application	100.00	100.00	100.00	0.0%
- renewal	200.00	200.00	200.00	0.0%
- vary permit	100.00	100.00	100.00	0.0%
- annual fee	50.00	50.00	50.00	0.0%
- copy permit	15.00	15.00	15.00	0.0%
Club Machine Permit				
- new application	200.00	200.00	200.00	0.0%
- fast track application	100.00	100.00	100.00	0.0%
- renewal	200.00	200.00	200.00	0.0%
- vary permit	100.00	100.00	100.00	0.0%
- annual fee	50.00	50.00	50.00	0.0%
- copy permit	15.00	15.00	15.00	0.0%
Premises licensed to sell alcohol				
- notification (automatic entitlement)	50.00	50.00	50.00	0.0%
- new application	150.00	150.00	150.00	0.0%
- fast track application	100.00	100.00	100.00	0.0%
- change of name	25.00	25.00	25.00	0.0%
- vary permit	100.00	100.00	100.00	0.0%
- annual fee	50.00	50.00	50.00	0.0%
- copy permit	15.00	15.00	15.00	0.0%
- transfer permit	25.00	25.00	25.00	0.0%
Prize Gaming Permit				
- new application	300.00	300.00	300.00	0.0%
- fast track application	100.00	100.00	100.00	0.0%
- renewal	300.00	300.00	300.00	0.0%
- change of name	25.00	25.00	25.00	0.0%
- copy permit	15.00	15.00	15.00	0.0%
Lotteries				
- registration of society	40.00	40.00	40.00	0.0%
- renewal (annual fee)	20.00	20.00	20.00	0.0%

* = 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 %
To be approved by Council				
Off Street Car Park Charges				
Contract Car Parking				
Main car parks - Monday to Friday only - Per year	2,528.19 *	2,528.19 *	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%
Season Ticket Parking				
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%
Garages				
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%
Penalty Fee Notice				
Pay and display space	25.00	25.00	25.00	0.0%
Permit space	35.00	35.00	35.00	0.0%
On Street Car Park Charges				
Parking Meter Charges				
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%
Resident Permit				
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 £	2022-23 Proposed	Increase %
Visitor Permit				
Per permit	2.00	2.00	Price on application	
Business Permit				
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				
Carers Permit				
Per permit - Per year	5.00	5.00	Price on application	
Penalty Fee Notice				
Pay and display space	25.00	25.00	25.00	0.0%
Permit space	35.00	35.00	35.00	0.0%
Markets				
North Street - Market Stall per day per metre, stall frontage	15.00	15.00	15.50	3.3%
Refuse Collection Service				
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%
Dog Fouling				
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				

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
Approved under Delegated Authority				
Cleansing				
Provision of bins to housing developments & redevelopments				
Initial supply and delivery of one refuse and one recycling standard 140ltr, 240ltr or 360ltr bins to new or refurbished properties	60.00	60.00	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>				
Recycling - Green Waste Bins				
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%
Refuse				
Replacement Bin	30.00	30.00	30.00	0.0%
Miscellaneous for Small Businesses				
Sharps collection - service agreement for 6 months delivery and removal of 25 x 7cl Sharps boxes on monthly collection.	Price on application	Price on application		
Food Waste				
Trade collection (per 120 litre container)	Price on application	Price on application		
School collection (per 120 litre container)	Price on application	Price on application		
Abandoned Vehicles				
Recovery and Release of vehicle	108.00	108.00	111.24	3.0%
Daily Charge (Monday to Friday)	12.00	12.00	12.36	3.0%
Approved by Government				
Public				
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%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 3% £	2022-23 Proposed	Increase %
Taxi				
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 %
To be approved by Council				
Parks and Open Spaces				
Tennis-Stoke Park and Sutherland Memorial Park				
Adult per court, per hour	6.90	6.90	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%
Mini Golf - Stoke Park				
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%
Cricket: All sites				
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%
Football - All sites				
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%
Rugby:				
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%
Netball - Stoke Park (Adult)	35.50	35.50	36.57	3.0%
Netball - Stoke Park (School usage and U18)	17.50	17.50	18.03	3.0%
Softball/Rounders - (Adult)	43.50	43.50	44.81	3.0%
Softball/Rounders - (School and U18)	24.50	24.50	25.24	3.0%

* = includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
Grass Athletics Track - Stoke Park (Adult groups/Organisations) 2 hours	88.00	88.00	90.64	3.0%
Grass Athletics Track - Stoke Park (Schools and U18 groups) 2 hours	49.00	49.00	50.47	3.0%
Lacrosse:				
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%
Table Tennis - All Per 30 minutes	1.00	1.00	1.03	3.0%
Frisbee pitch 2 hours (All)	34.00	34.00	35.02	3.0%
Event all Sites				
Price on application (minimum charge £50 per day)		Price on application		
Community events receive a 50% discount				
Charity and 100% fundraising events receive a 60% discount				
Circuses and Fun Fairs				
Per day on site including set up/dismantle (Shalford Common only)		Price on application		
Per day on site (all other sites) if onsite longer than 6 days receive a 5% discount				
Set up/dismantle fee per day				
Filming all Sites: -				
Per Event - Per Day on Site (Negotiable) Minimum £50 - Maximum £1,000 per day		Price on application		
Fitness Sessions				
		Price on application		
Forest school use of site - per child per visit	2.00	2.00	2.06	3.0%
Car Parking Only All Sites:				
Per Day on Site (not in conjunction with event hire)		Price on application		
Commemorative Benches (All sites)				
		Price on application		
Shalford Park:				
Camping and Caravanning (Club Use) - per unit per night	9.70 *	9.70 *	9.99	3.0%
Chantries Camp Site: per person per day/night				
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 %
Sutherland Memorial Park				
Astro Pitch 5-a-side				
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%
Balloon Flights				
Seasonal annual agreement paid in advance for take off rights per site	645.00	645.00	664.35	3.0%
Greenark				
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				
Approved under Delegated Authority				
Guildford Crematorium				
Cremation Fees				
For the cremation of a child whose age at death did not exceed 18 years (incl medical referee fees)	free of charge	free of charge		
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-internment 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.				
Urns and Containers				
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%
Deposit of Ashes				
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 %
Memorials and Inscriptions				
Entries in the Book of Remembrance				
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%
Replicas of entries in Book of Remembrance Memorial Cards				
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%

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
Miniature Books of Remembrance				
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%
Adoption of Rose Trees (including nameplate)				
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%
Trees 5 years with aluminium plaque	795.00	795.00	860.00	8.2%
Trees 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%
Plaques				
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 *		

* = includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
Seats				
Seats wooden 5 feet length (for a period of 10 years)		Price on application *	1995.00	
Seats Granite Columbaria (for a period of 10 years)		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%
Memorial Vault - Sanctum including wooden casket				
(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%
Vase Blocks - 10 years				
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 %
Sundials				
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		
Children's Memorial Garden				
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%
Cemeteries				
Guildford, Stoke New and Old Cemeteries - Interments				
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-				
Unpurchased grave for a child	free of charge	free of charge		
Unpurchased grave for an adult	510.00	510.00	530.40	4.0%
Resident				
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.				
Memorials				
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%
Memorial Vault - Sanctum				
(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%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	3% 2022-23 Proposed	Increase %
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%
Miscellaneous Charges				
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	
Cemeteries - Non Residents of Guildford Borough Fees				
Guildford, Stoke New and Old Cemeteries - Interments				
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-	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%
Exclusive Rights of Burial in Earthen Graves:				
Traditional and Lawn Section				
In an earthen grave 7ft 6 ins x 3ft 6 ins	4,040.00	4,040.00	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.				
Miscellaneous Charges				
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 %
	£	£			%
Guildford Spectrum - To be approved by Council					
Standard Social Charges					
Concessionary Charges - the rates shown below relate to the following groups:-					
Senior Citizens					
Benefit Recipients					
Unemployed					
Students					
Disabled					
Main Pool					
Adult swim (16 years of age and over) - Peak	4.90 *	4.90 *		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%
Showers					
Shower (senior citizen)	2.30 *	2.30 *		2.37	3.0%
Special Activities					
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%
Off Peak Charges - Concessions					
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 %
	£	£			%
Guildford Lido - To be approved by Council					
Standard					
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%
Off Peak					
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%
Season Tickets					
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%
Gym					
Pay as You Train - Peak					
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%
Pay as You Train - Off Peak					
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 %
	£	£			%
Membership					
Annual Membership - Concessions	308.00 *	308.00 *		317.24	3.0%
Monthly Membership - Concessions	27.70 *	27.70 *		28.53	3.0%
Ash Manor Sports Centre - To be approved by Council					
Main Sports Hall					
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%
Gymnasium					
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%
Equipment Hire - Adults only (£10.00 deposit)					
Badminton Racquet/Table Tennis bat	2.50 *	2.50 *		2.58	3.0%
Football	4.00 *	4.00 *		4.12	3.0%
Outside Court (Playground) - per hour					
With floodlights	21.00 *	21.00 *		21.63	3.0%
Without floodlights	13.00 *	13.00 *		13.39	3.0%
Artificial Pitch					
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%
Health & Fitness					
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%

	2020-21 From 1 April 2020	2021-22 From 1 April 2021	3%	2022-23 Proposed	Increase
	£	£			%
Pay as you Train - Peak					
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%
Pay as you Train - Off Peak					
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					
GP Referral					
Off Peak	4.50 *	4.50 *		4.64	3.0%

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 Proposed	Increase %
To be approved by Council				
Education Sessions, 39.5 Castle Street				
Cost per child ¹				
Victorian schoolroom	6.80	6.80	7.00	3.0%
Victorian playroom	6.50	6.50	6.70	3.0%
¹ A minimum charge equivalent to 25 child places is payable for all bookings				
Loan boxes (per box, for 3 weeks)			11.00	
Adult education, History of Guildford class				
Twenty sessions (subject to change depending on course requirements)	112.00	112.00	115.00	2.7%
Exhibition Space Hire, Heritage Buildings				
Guildford House				
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.				
Private View of Exhibitions				
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	
Venue Hire, Heritage Buildings				
The Brew House, Guildford House				
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	2021-22	2022-23	Increase
	From 1 April 2020	From 1 April 2021	Proposed	%
	£	£		
Guildford Castle				
<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				
Guildford Museum				
<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%
Guildhall				
<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	2021-22	2022-23	Increase
	From 1 April 2020	From 1 April 2021	Proposed	%
	£	£		
<u>Guildhall Council Chamber</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%
All rooms excess charge for evening hire after 10.00pm (per hour)	75.00	75.00	80.00	6.7%
Admission Charges, Guildhall				
Adult admission	2.00 *	2.00 *	2.20	10.0%
Child admission (under 5s free)	1.00 *	1.00 *	1.20	20.0%
Admission Charges, Guildford Castle				
Adult admission	3.50 *	3.50 *	3.70	5.7%
Child admission (under 5s free)	2.00 *	2.00 *	2.20	10.0%
Joint admission ticket Guildhall and Guildford Castle				
Adult admission	N/A *	N/A *	N/A	
Child admission	N/A *	N/A *	N/A	
Family ticket Guildford castle				
Family ticket to cover 2 adults and 2 children	10.00 *	10.00 *	11.00	10.0%
Image licensing and reproductions				
Reproduction fees for the use of images from Guildford Borough Council's heritage collections. These fees are for the use of the image, not for the costs of producing it. The fees are for the reproduction of one image.				
Academic journals and research publications that are not for profit	10.00	10.00	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				Closed	Closed	price on application
S	Lawn Road	87	Mon-Fri - Contract Car Park (unavailable to public)				price on application	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 £	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 web site or from the Building Control office				

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 Proposed	Increase %
Pre Application Advice				
Householder and new dwellings				
Category: BRONZE				
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%
Category: SILVER				
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%
Category: GOLD				
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%
Category: PLATINUM				
Householder	Not applicable	Not applicable		
1-4 dwellings	Not applicable	Not applicable		
5-9 dwellings	Not applicable	Not applicable		
10-49 dwellings	Price on application *	Price on application *		
50+ dwellings	Price on application *	Price on application *		
Extras				
Additional plans				
Householder	84.00 *	84.00 *		
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%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 Proposed	Increase %
Additional meetings				
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%
Commercial and other development				
Category: BRONZE				
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		
Category: SILVER				
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%
Category: GOLD				
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%
Category: PLATINUM				
Commercial up to 250 sq metres	Not applicable	Not applicable		
Commercial up to 500 sq metres	Not applicable	Not applicable		
Commercial up to 1000 sq metres	Not applicable	Not applicable		
Commercial up to 2500 sq metres	Not applicable	Not applicable		
Over 2500 sq metres	Price on application *	Price on application *		
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable		

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 Proposed	Increase %
Extras				
Additional plans				
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%
Meeting				
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				
Planning performance agreements				
For major applications only (residential or commercial)				
Deposit	500.00 *	500.00 *	500.00	0.0%
Subsequent costs	Price on application *	Price on application *		
Charges for tree advice- for a site visit and written response				
Pre- application advice on works to trees (TPO and conservation area)				
First hour	88.00 *	88.00 *	88.00	0.0%
Per subsequent hours	58.00 *	58.00 *	58.00	0.0%
General tree advice				
First hour	88.00 *	88.00 *	88.00	0.0%
Per subsequent hours	58.00 *	58.00 *	58.00	0.0%
Tree survey on proposed development site				
Per hour	88.00 *	88.00 *	88.00	0.0%
High Hedges	600.00	600.00	618.00	3.0%

*= includes VAT at 20%

	2020-21 From 1 April 2020 £	2021-22 From 1 April 2021 £	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				
<u>Local Plan Documents</u>				
<u>Examination Documents</u>				
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%
<u>Submission Documents</u>				
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%

*= includes VAT at 20%

	2020-21 From 1 April 2020	2021-22 From 1 April 2021	2022-23 Proposed	Increase %
	£	£		%
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%
Infrastructure and Delivery				
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 %
Transport				
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%
Other Supporting Documents				
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%
Neighbourhood Plans				
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%
Topic Papers				
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 From 1 April 2020 £	2021-22 From 1 April 2021 £	2022-23 Proposed	Increase %
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%
Supplementary Planning Guidance				
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%
Development Briefs and Other Strategies				
Thames Basin Heath Special Protection Area Avoidance Strategy (2017)	10.00	10.00	10.25	2.5%
Postage and packing				
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%
The above Local Plan documents are available to download for free on our website				
Land Charges Search Fees -(VAT introduced on 31st March 2017)				
Basic Fee- domestic	187.00 *	188.00 *	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 %
To be approved by Council				
Farmers Market				
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%
Standard charges				
Poster Boards				
All poster boards are A4 sheet poster size				
- Rental per space - Rental per week	12.60 *	12.60 *	13.00	3.2%
Banner Boards				
- Rental per space - Rental per week				
Large 9ft banners	70.20 *	70.20 *	72.30	3.0%
A0 & A1- category A (all <u>except</u> 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%
Concessionary charges				
Poster Boards				
All poster boards are A4 sheet poster size				
- Rental per space - Rental per week	10.20 *	10.20 *	10.50	2.9%
Banner Boards				
- Rental per space - Rental per week				
Large 9ft banners	57.00 *	57.00 *	58.70	3.0%
A0 & A1- category A (all <u>except</u> 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%
High Street Banner				
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 %
North Street Rotunda				
Standard charges for full day				
-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%
Concessionary charges for full day				
-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%

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	2022-23 Proposed	Increase %
To be approved by Council				
House Purchase Fees				
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%
Road Closure Application Fee	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
- Annual Report and Statement of Accounts - supply to organisations and individuals outside the Borough

Free of Charge

Free of Charge

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 **	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 **	Minimum of £2,275	0.0%
Section 106 agreement (Major applications, small scale, large scale)	Minimum of £2,275 **	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% Proposed	Increase %
Property Transactions – Legal Charges				
Grant of new lease up to 100 sq. m	Minimum £555**	Minimum £555**	Minimum £555**	0.0%
Grant of new lease 101 to 300 sq. m	Minimum £760**	Minimum £760**	Minimum £760**	0.0%
Grant of new lease 301 – 700 sq. m	Minimum £875**	Minimum £875**	Minimum £875**	0.0%
Grant of new lease over 700 sq. m	Minimum £1,320**	Minimum £1,320**	Minimum £1,320**	0.0%
Renewal of lease up to 100 sq. m	Minimum £430**	Minimum £430**	Minimum £430**	0.0%
Renewal of lease 101 to 300 sq. m	Minimum £555**	Minimum £555**	Minimum £555**	0.0%
Renewal of lease 301 – 700 sq. m	Minimum £660**	Minimum £660**	Minimum £660**	0.0%
Renewal of lease over 700 sq. m	Minimum £875**	Minimum £875**	Minimum £875**	0.0%
Deed of Variation	Minimum £575**	Minimum £575**	Minimum £575**	0.0%
Rent Deposit Deed	Minimum £220**	Minimum £220**	Minimum £220**	0.0%
Licence to Assign/Alter	Minimum £555**	Minimum £555**	Minimum £555**	0.0%
Licence to Underlet	Minimum £660**	Minimum £660**	Minimum £660**	0.0%
Grant of new Licence for grazing/garden/access	Minimum £495**	Minimum £495**	Minimum £495**	0.0%
Renewal of Licence for grazing/garden/access	Minimum £280**	Minimum £280**	Minimum £280**	0.0%
Grant of new Licence for scaffolding/development compound	Minimum £495**	Minimum £495**	Minimum £495**	0.0%
Renewal of Licence for scaffolding/development compound	Minimum £380**	Minimum £380**	Minimum £380**	0.0%
Grant of Easement/wayleave	Minimum £555**	Minimum £555**	Minimum £555**	0.0%
Sale of freehold	Minimum £760**	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%

Agenda item number: 12
Appendix 7

	2020-21 from 1 April 2020 £	2021-22 from 1 April 2021 £	3% Proposed	2022-23 Proposed	Increase %
To be approved by Council					
Temporary Accommodation Fees					
Daily Personal Charge Contributions					
Household size					
- 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 £	2022-23 3% Proposed	Increase %
To be approved by Council				
Local Taxation				
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				
Letting of Council Accommodation for Meetings (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%

* = includes VAT at 20%

	2020-21	2021-22	2022-23	Increase
	From 1 April 2020	From 1 April 2021	3% Proposed	
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.

Council Report

Ward(s) affected: All

Report of Managing Director

Author: John Armstrong, Democratic Services and Elections Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 9 February 2022

Periodic Electoral Review of Guildford Borough Council: Proposed Response to Draft Recommendations

Executive Summary

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

The Council approved its Council Size Submission in December 2020 in which it made a strong case for retaining 48 councillors. The Local Government Boundary Commission for England (LGBCE) announced in January 2021 that it was minded to make a recommendation that the Council's future size remains at 48 councillors.

The Council then approved its Warding Patterns Submission in July 2021, which set out the pattern of wards that the Council felt best met the statutory criteria in respect of delivering electoral equality, recognising the interests and identities of local communities, and providing for effective and convenient local government.

On 30 November 2021, the LGBCE published its Draft Recommendations for Guildford and announced a further period of public consultation on those Draft Recommendations, which ends on 7 February 2022¹. In essence, the Draft Recommendations agreed with the Council's proposed pattern of wards in the parished areas of the borough and in respect of the Merrow, Stoke, Stoughton North and Stoughton South wards within the town. The Draft Recommendations in respect of the Burpham, Christchurch & Holy Trinity, Friary, Onslow, St. Nicolas, and Westborough wards differed from the Council's proposals.

On 14 December 2021, the cross-party Electoral Review Working Group reconvened to consider the Draft Recommendations, and in particular those Draft Recommendations which differed from the Council's own Warding Patterns Submission.

¹ the LGBCE has permitted the Council to submit its response following this meeting

This report sets out the product of the work of the Electoral Review Working Group in respect of the Council's proposed response to the LGBCE's Draft Recommendations.

The Council's proposed response to the Draft Recommendations reflects the conclusions of the Working Group after taking account of the representations of other councillors.

Recommendation to Council

That the proposed response to the Local Government Boundary Commission for England's Draft Recommendations in respect of the Period Electoral Review of Guildford Borough Council, as drawn up by the Electoral Review Working Group and set out in Appendix 2 to this report, be approved and submitted to the Commission.

Reason for Recommendation:

To respond to the LGBCE's invitation to respond to its consultation on its Draft Recommendations in respect of the periodic electoral review of Guildford Borough Council.

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

1. Purpose of Report

- 1.1 To provide an opportunity for the Council to respond formally to the LGBCE's consultation on its Draft Recommendations in respect of the periodic electoral review of Guildford Borough Council.

2. Strategic Priorities

- 2.1 The review will ensure that the Council's size and pattern of wards is appropriate for ensuring that the Council is able to deliver on its corporate priorities and in a manner consistent with the Council's desire to be open and accountable to residents in our decision-making.

3. Background

- 3.1 The purpose of an electoral review is to consider the total number of councillors elected to the council, the names, number and boundaries of the wards, and the number of councillors to be elected to each ward.
- 3.2 The last electoral review of this Council in 1998 established the current Council size of 48 councillors, representing 22 wards, of which 9 were three-member wards, 8 were two-member wards, and 5 were single-member wards. These arrangements came into effect at the Borough Council elections in 2003.
- 3.3 The current review began in 2020. Following the Council's Submission to the LGBCE on council size agreed in December 2020, the Council was notified in January 2021 that the LGBCE was minded to recommend that the Council's size remains at 48. The second stage of the review was the consultation on new ward boundaries to accommodate 48 councillors. It is the LGBCE's responsibility to develop and publish draft recommendations on ward patterns. The LGBCE

invited submissions from the Council and any other interested parties to inform its development of recommendations. In January 2021, the Executive established the cross-party Electoral Review Working Group² to draw up the Council's Warding Patterns Submission, which the Council approved at its meeting on 28 July 2021.

4. LGBCE's Draft Recommendations and the Council's Proposed Response

4.1 Following consideration of all submissions regarding warding patterns, the LGBCE published its report and Draft Recommendations on 30 November 2021, which is attached as **Appendix 1** to this report. The LGBCE is now consulting on its Draft Recommendations and the deadline for receipt of representations on them is 7 February 2022. The LGBCE is aware that Guildford has its Full Council meeting on 9 February and will accept the Council's submission following the meeting.

4.2 In its Draft Recommendations, the LGBCE has attempted to recognise local identity, physical and identifiable boundaries and administrative convenience, provided that the "electoral equality" principle is secured. The Draft Recommendations provide for a Council size of 48 councillors within a total of 20 wards, two fewer than present, as follows:

- 10 x three-member wards
- 8 x two-member wards
- 2 x single-member wards

4.3 In essence, the Draft Recommendations agreed with the Council's proposed pattern of wards in all the parished areas of the borough and in respect of the proposed Merrow, Stoke, Stoughton North and Stoughton South wards within the town. The Draft Recommendations in respect of the proposed Burpham, Christchurch & Holy Trinity, Friary, Onslow, St. Nicolas, and Westborough wards differed, to varying degrees, from the Council's proposals.

4.4 The cross-party Electoral Review Working Group has met twice recently to consider the Draft Recommendations, and in particular those Draft Recommendations which differed from the Council's own Warding Patterns Submission. Following their meeting on 14 December 2021, the Working Group agreed to consult all councillors regarding the Draft Recommendations and the Working Group's proposed response to them, details of which are set out in **Appendix 2** to this report.

4.5 At its most recent meeting on 11 January 2022, the Working Group considered the feedback from councillors. In summary, the responses were as follows:

Councillor	Response
Cllr Deborah Seabrook	Happy with the working group's recommendations
Cllr John Redpath	Happy with the revised boundary being London Road as it's much clearer. Not happy with "Castle Ward" though and would prefer Holy Trinity Ward as

² Comprising Cllrs Rooth (Chairman), Hogger, Manning, Nagaty, and Gunning

Councillor	Response
	the amalgamated parts of Christchurch are a long way from the Castle.
Cllr John Rigg	Agrees with Cllr Redpath.
Cllr Nigel Manning	In response to Cllrs Redpath and Rigg's comments, calling the new ward 'Holy Trinity' or 'Christchurch', may cause a feeling of disenfranchisement from some residents. Having a new name would seem sensible. The name 'Castle' was a name put forward by a Councillor, but it is only a suggestion, as the Castle is within the new ward. Any name is up for consideration at this juncture. We just need to decide on one to go back to the LGBCE.
Cllr Ann McShee	No comments
Cllr Bob McShee	No comments
Cllr Angela Gunning	Labour group agrees with the recommendations.
Cllr Ramsey Nagaty	No further comments from his group, but still feels Shalford and Pilgrims has become a huge and somewhat disparate ward
Cllr Nigel Manning	No comments from his group
Cllr Tony Rooth	No further comments from his group

- 4.6 After consideration of these comments, the Working Group agreed to make no further changes to the proposed response set out in Appendix 2.

5. Next Steps

- 5.1 The next steps for the LGBCE are to publish its Final Recommendations on 3 May 2022, following which a draft legal order giving effect to the Final Recommendations is laid before both Houses of Parliament, and is then subject to what is called the "draft negative resolution procedure". This means that the LGBCE may only confirm the order after it has been before each House for 40 sitting days. Draft orders can be prayed against in either House. In such an event, a debate on the order may take place. If a debate on a draft order is lost, the order will not be made; there is no provision for Parliament to modify the order. On the assumption that the order is confirmed, the Final Recommendations will be implemented at the next Borough Council Elections in May 2023.
- 5.2 Full details of the review are available on the [LGBCE website](#).

6. Financial Implications

- 6.1 There are no financial implications arising directly from the submission of a response to the Draft Recommendations. The costs associated with the review will be met from within existing budgets.

7. Legal Implications

- 7.1 The LGBCE operates under the provisions of Part 3 of the Local Democracy, Economic Development & Construction Act 2009 (the 2009 Act). The process for

carrying out an electoral review is set out in the 2009 Act, together with the various criteria to which the LGBCE must have regard. The Council has a duty to support the LGBCE's work and to provide input to that work.

8. Human Resource Implications

- 8.1 There are no HR implications arising directly from the proposals contained in this report. The final approved changes to ward boundaries will have an impact on the Council's GIS systems, and will require a full polling district/polling place review, which will need to be conducted and completed by December 2022 in preparation for the May 2023 Borough elections.

9. Equality and Diversity Implications

- 9.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 9.2 In this regard, the Council must consider whether the decision will or could have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief; or people who are pregnant.

- 9.3 It is not considered that an equality impact assessment is necessary for the purpose of responding to the LGBCE's Draft Recommendations in respect of Guildford's electoral arrangements.

10. Climate Change/Sustainability Implications

- 10.1 There are no relevant climate change/sustainability implications arising from this report.

11. Summary of Options

- 11.1 The Council essentially has two options:

Option 1:

To approve the proposed response to the LGBCE's Draft Recommendations attached as Appendix 2 to this report.

Option 2:

To approve the response, with amendments.

- 11.2 The Electoral Review Working Group recommends Option 1.

12. Background Papers

Reports to Council:

[8 December 2020: Item 11 \(Council Size Submission\)](#)

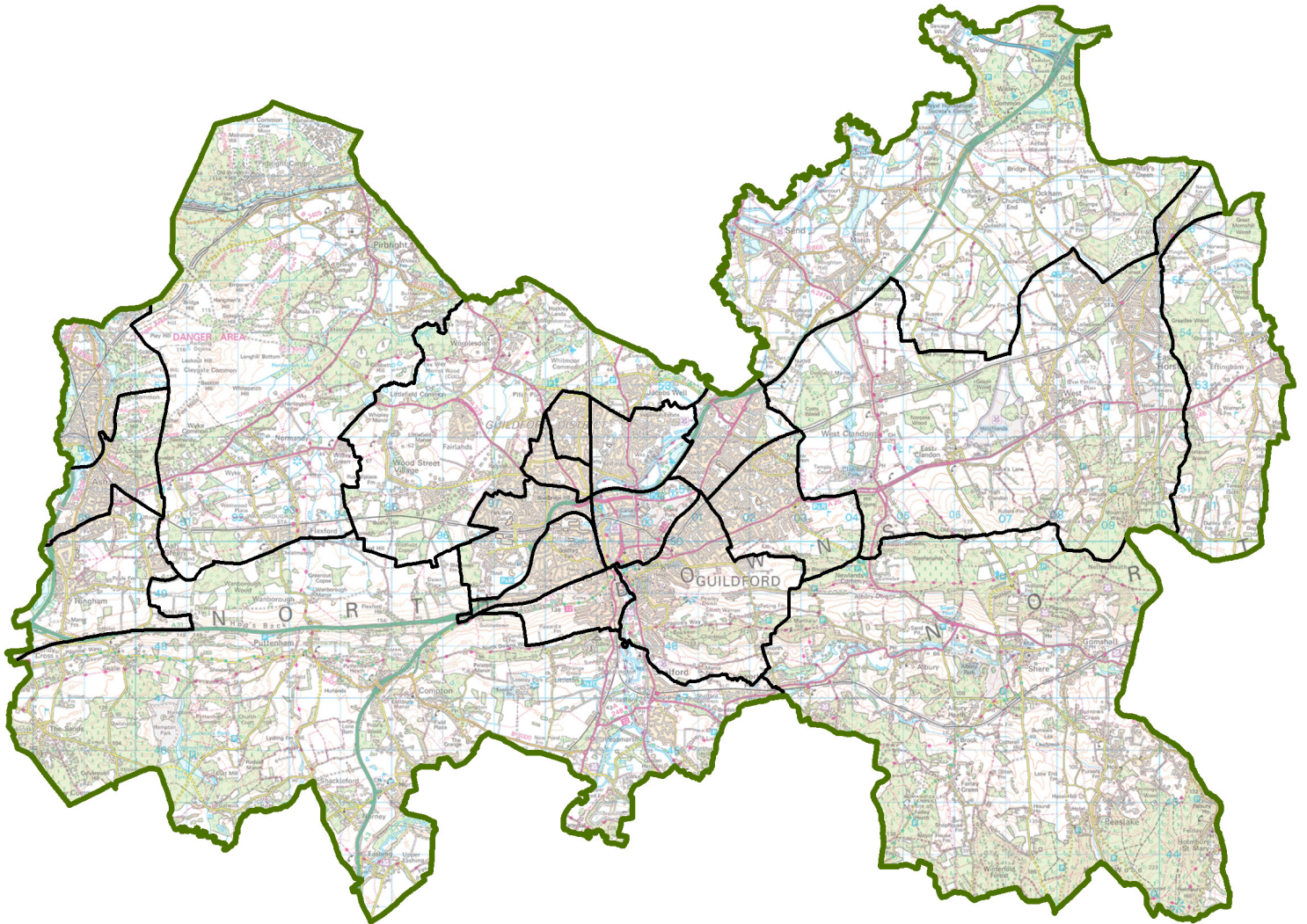
[28 July 2021: Item 9 \(Warding Patterns Submission\)](#)

13. Appendices

Appendix 1: New Electoral Arrangements for Guildford Borough Council - Draft Recommendations published by the Local Government Boundary Commission for England (November 2021)

Appendix 2: Proposed response to the LGBCE's Draft Recommendations as drafted by the Electoral Review Working Group

The
Local Government
Boundary Commission
for England



New electoral arrangements for Guildford Borough Council Draft Recommendations

November 2021

Translations and other formats:

To get this report in another language or in a large-print or Braille version, please contact the Local Government Boundary Commission for England at:

Tel: 0330 500 1525

Email: reviews@lgbce.org.uk

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A note on our mapping:

The maps shown in this report are for illustrative purposes only. Whilst best efforts have been made by our staff to ensure that the maps included in this report are representative of the boundaries described by the text, there may be slight variations between these maps and the large PDF map that accompanies this report, or the digital mapping supplied on our consultation portal. This is due to the way in which the final mapped products are produced. The reader should therefore refer to either the large PDF supplied with this report or the digital mapping for the true likeness of the boundaries intended. The boundaries as shown on either the large PDF map or the digital mapping should always appear identical.

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Introduction

Who we are and what we do

1 The Local Government Boundary Commission for England (LGBCE) is an independent body set up by Parliament.¹ We are not part of government or any political party. We are accountable to Parliament through a committee of MPs chaired by the Speaker of the House of Commons. Our main role is to carry out electoral reviews of local authorities throughout England.

2 The members of the Commission are:

- Professor Colin Mellors OBE (Chair)
- Andrew Scallan CBE (Deputy Chair)
- Susan Johnson OBE
- Peter Maddison QPM
- Amanda Nobbs OBE
- Steve Robinson
- Jolyon Jackson CBE (Chief Executive)

What is an electoral review?

3 An electoral review examines and proposes new electoral arrangements for a local authority. A local authority's electoral arrangements decide:

- How many councillors are needed.
- How many wards or electoral divisions there should be, where their boundaries are and what they should be called.
- How many councillors should represent each ward or division.

4 When carrying out an electoral review the Commission has three main considerations:

- Improving electoral equality by equalising the number of electors that each councillor represents.
- Ensuring that the recommendations reflect community identity.
- Providing arrangements that support effective and convenient local government.

5 Our task is to strike the best balance between these three considerations when making our recommendations.

¹ Under the Local Democracy, Economic Development and Construction Act 2009.

6 More detail regarding the powers that we have, as well as the further guidance and information about electoral reviews and review process in general, can be found on our website at www.lgbce.org.uk

Why Guildford?

7 We are conducting a review of Guildford Borough Council ('the Council') as the last review was completed in 1998, and we are required to review the electoral arrangements of every council in England 'from time to time'.² In addition, some councillors currently represent many more or fewer electors than others. This is 'electoral inequality'. Our aim is to create 'electoral equality', where the number of electors is as equal as possible, ideally within 10% of being exactly equal.

8 This electoral review is being carried out to ensure that:

- The wards in Guildford are in the best possible places to help the Council carry out its responsibilities effectively.
- The number of electors represented by each councillor is approximately the same across the borough.

Our proposals for Guildford

9 Guildford should be represented by 48 councillors, the same as present.

10 Guildford should have 20 wards, two fewer than present.

11 The boundaries of 19 wards should change; three will stay the same.

How will the recommendations affect you?

12 The recommendations will determine how many councillors will serve on the Council. They will also decide which ward you vote in, which other communities are in that ward, and, in some cases, which parish council ward you vote in. Your ward name may also change.

13 Our recommendations cannot affect the external boundaries of the borough or result in changes to postcodes. They do not take into account parliamentary constituency boundaries. The recommendations will not affect local taxes, house prices, or car and house insurance premiums and we are not able to consider any representations which are based on these issues.

² Local Democracy, Economic Development & Construction Act 2009 paragraph 56(1).

Have your say

14 We will consult on the draft recommendations for a 10-week period, from 30 November 2021 to 7 February 2022. We encourage everyone to use this opportunity to comment on these proposed wards as the more public views we hear, the more informed our decisions will be in making our final recommendations.

15 We ask everyone wishing to contribute ideas for the new wards to first read this report and look at the accompanying map before responding to us.

16 You have until 7 February 2022 to have your say on the draft recommendations. See page 27 for how to send us your response.

Review timetable

17 We wrote to the Council to ask its views on the appropriate number of councillors for Guildford. We then held a period of consultation with the public on warding patterns for the borough. The submissions received during consultation have informed our draft recommendations.

18 The review is being conducted as follows:

Stage starts	Description
19 January 2021	Number of councillors decided
26 January 2021	Start of consultation seeking views on new wards
2 August 2021	End of consultation; we began analysing submissions and forming draft recommendations
30 November 2021	Publication of draft recommendations; start of second consultation
7 February 2022	End of consultation; we begin analysing submissions and forming final recommendations
3 May 2022	Publication of final recommendations

Analysis and draft recommendations

19 Legislation³ states that our recommendations should not be based only on how many electors⁴ there are now, but also on how many there are likely to be in the five years after the publication of our final recommendations. We must also try to recommend strong, clearly identifiable boundaries for our wards.

20 In reality, we are unlikely to be able to create wards with exactly the same number of electors in each; we have to be flexible. However, we try to keep the number of electors represented by each councillor as close to the average for the council as possible.

21 We work out the average number of electors per councillor for each local authority by dividing the electorate by the number of councillors, as shown in the table below.

	2020	2027
Electorate of Guildford	103,253	118,226
Number of councillors	48	48
Average number of electors per councillor	2,151	2,463

22 When the number of electors per councillor in a ward is within 10% of the average for the authority, we refer to the ward as having 'good electoral equality'. All our proposed wards for Guildford will have good electoral equality by 2027.

Submissions received

23 See Appendix C for details of the submissions received. All submissions may be viewed on our website at www.lgbce.org.uk

Electorate figures

24 The Council submitted electorate forecasts for 2026, a period five years from the originally scheduled publication of our final recommendations in 2021. These forecasts were broken down to polling district level and predicted an increase in the electorate of around 13% by 2026.

25 During the consultation on ward boundaries, we were made aware by the Council and Send Parish Council that errors had been made by the Council regarding the forecast electorate in the existing Effingham, Lovelace and Send wards. After analysing the information provided by the Council and Send Parish

³ Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009.

⁴ Electors refers to the number of people registered to vote, not the whole adult population.

Council, we decided to accept a revised forecast from the Council that corrected these mistakes, resulting in an overall increase in the electorate for the borough of approximately 15% by 2027.

26 As a result of delays to this review, the publication year of our final recommendations has changed to 2022. We are content that the original 2026 forecast is a reasonable estimate of the forecast number of electors likely to be present in the authority in 2027. We have used these figures to produce our draft recommendations.

Number of councillors

27 Guildford Borough Council currently has 48 councillors. The Council proposed to retain this number, while the Labour Group submitted a proposal to decrease councillor numbers by two to 46. We have looked at all the evidence provided and determined that the Council provided the best evidence regarding councillor numbers for Guildford. The Council provided strong evidence highlighting how the current number of councillors would continue to ensure governance, scrutiny and representational requirements are met.

28 We therefore invited proposals for new patterns of wards that would be represented by 48 councillors – for example, 48 one-councillor wards, 24 two-councillor wards, 16 three-councillor wards, or a mix of one-, two- and three-councillor wards.

29 We received one submission about the number of councillors in response to our consultation on warding patterns. The submission argued that there are too many councillors but did not propose an alternative number nor provide evidence as to how the authority would operate under an alternative council size. Therefore, we have decided to base our draft recommendations for Guildford on a pattern of wards comprising 48 councillors.

Ward boundaries consultation

30 We received 42 submissions in response to our consultation on ward boundaries. These included a borough-wide proposal from the Council. The remainder of the submissions provided localised comments for warding arrangements in particular areas of the borough.

31 The Council's borough-wide scheme provided for a mixed pattern of one-, two- and three-councillor wards for Guildford. We carefully considered the proposals received and were of the view that the proposed patterns of wards resulted in good levels of electoral equality in most areas of the authority and generally used identifiable boundaries.

32 Consequently, our draft recommendations are based predominantly on the Council's proposals. However, in some areas of the borough, we have also taken into account local evidence that we received, which provided evidence of community links and locally recognised boundaries. In some areas, we considered that the proposals did not provide for the best balance between our statutory criteria, so we identified alternative boundaries.

33 Given the travel restrictions, and the social distancing, arising from the Covid-19 outbreak, there was a detailed virtual tour of Guildford. This helped to clarify issues raised in submissions and assisted in the construction of the draft recommendations.

34 We also received a small number of submissions that referred to parliamentary constituency boundaries. We have no role to play in setting these, which are the responsibility of the Boundary Commission for England – a separate body.

Draft recommendations

35 Our draft recommendations are for 10 three-councillor wards, eight two-councillor wards and two single-councillor wards. We consider that our draft recommendations will provide for good electoral equality while reflecting community identities and interests where we received such evidence during consultation.

36 The tables and maps on pages 8–23 detail our draft recommendations for each area of Guildford. They detail how the proposed warding arrangements reflect the three statutory⁵ criteria of:

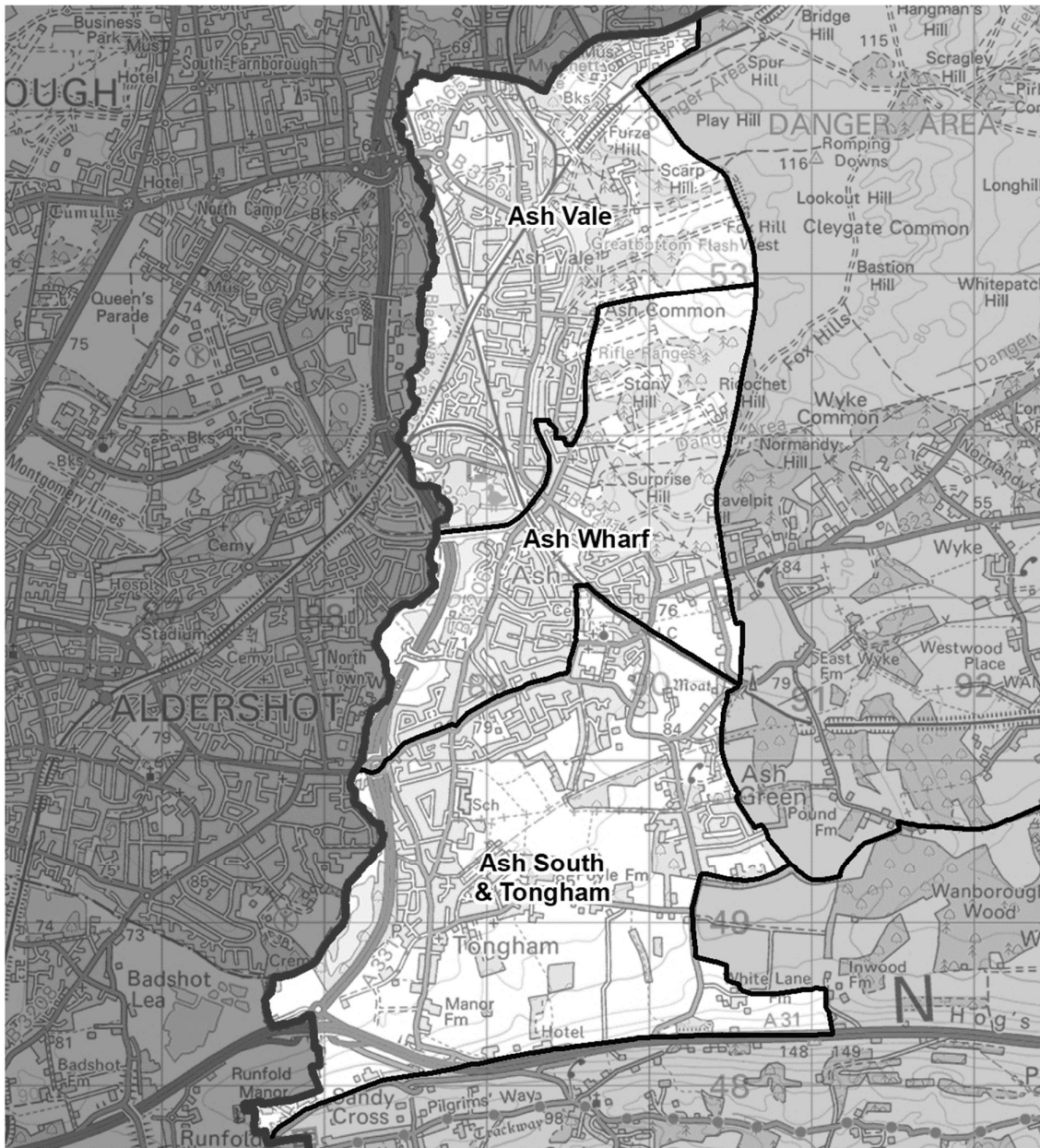
- Equality of representation.
- Reflecting community interests and identities.
- Providing for effective and convenient local government.

37 A summary of our proposed new wards is set out in the table starting on page 33 and the large map accompanying this report.

38 We welcome all comments on these draft recommendations, particularly on the location of the ward boundaries, and the names of our proposed wards.

⁵ Local Democracy, Economic Development and Construction Act 2009.

Ash and Tongham



Ward name	Number of councillors	Variance 2027
Ash South & Tongham	3	3%
Ash Vale	2	10%
Ash Wharf	2	10%

Ash South & Tongham

39 A high level of development is expected in the south of Ash and Tongham, which would result in the existing ward being under-represented by 2027. The Council therefore decided to transfer Rowan Field parish ward from the existing Ash

South & Tongham ward to their proposed Ash Wharf ward, following the county division boundary in its entirety. This would result in an Ash South & Tongham ward with a forecast electoral variance of 3%.

40 We have decided to adopt the Council's proposal as part of our draft recommendations. Their proposal ensures good electoral equality for the ward and following the division boundary will ensure effective and convenient local government.

41 A local resident opposed combining the south of Ash in a ward with Tongham, suggesting that the two areas are distinct from each other. However, a single-councillor ward for Tongham parish would result in an electoral variance of 11%, which is a slightly higher electoral variance than what we would usually accept. We also agree with the Council that transferring Tongham into a ward with the parishes that comprise the existing Pilgrims ward would not reflect the local pattern of communities, where the A31 represents a strong, identifiable boundary.

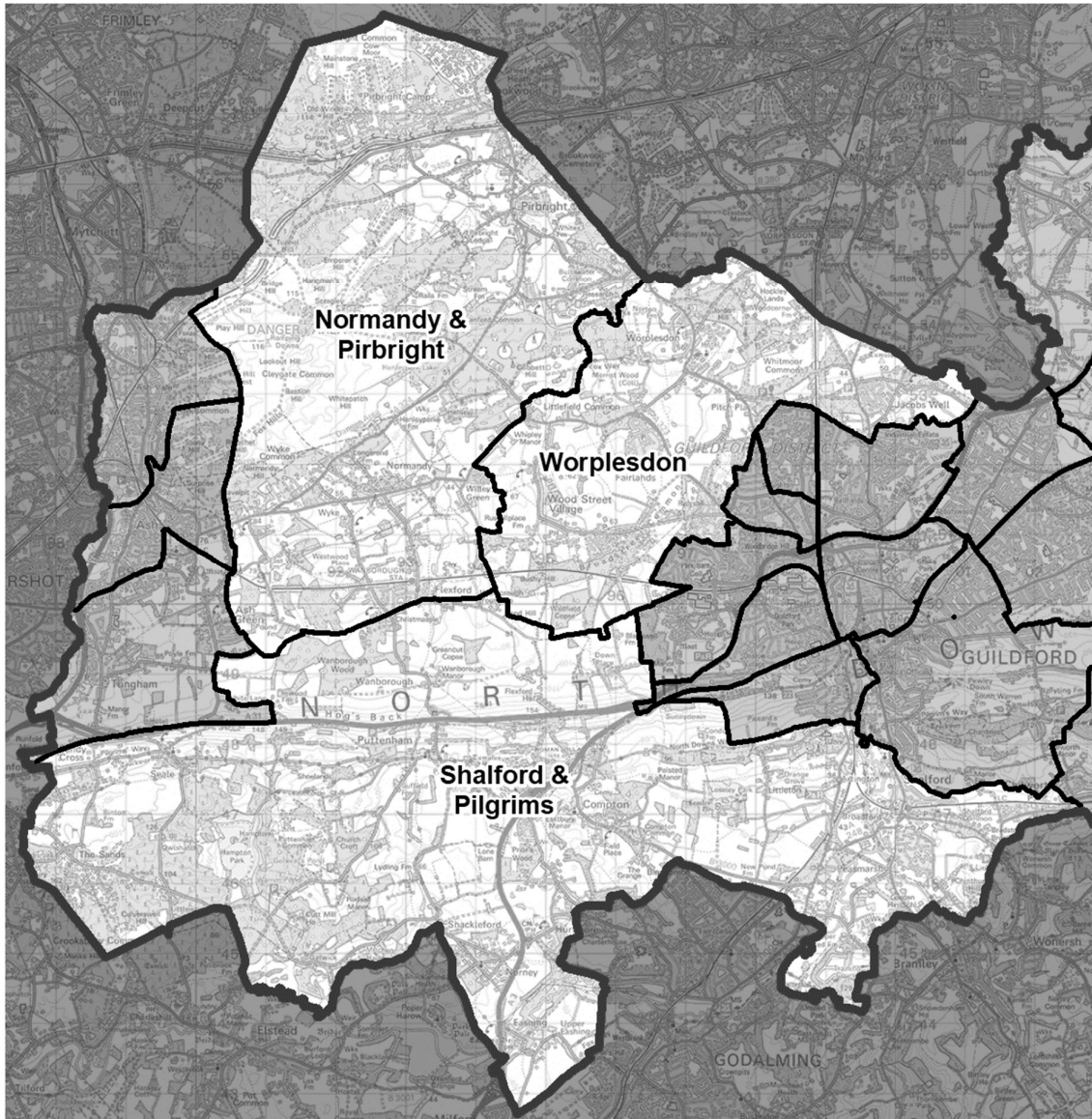
Ash Vale and Ash Wharf

42 Our draft recommendations for these wards are based on the Council's proposals, which proposed to move the boundary between the two wards from Vale Road to north of Foxhurst Road cul-de-sac, resulting in Ash Vale ward incorporating several roads south of Heath Vale Bridge Road that are currently in Ash Wharf ward. This warding arrangement results in good electoral equality for both wards and we are content it will effectively reflect community identities in the area.

43 A local resident suggested that the Ash area should be allocated eight councillors rather than seven, as at present, due to residential development. We decided not to adopt this proposal, deeming that insufficient evidence had been provided to justify an increase in the total number of councillors representing Ash and the whole authority.

44 Another local resident requested that the Ash area be included in Rushmoor borough given the proximity of Ash to Aldershot and Farnham. However, changing the external boundaries between local authorities falls outside the scope of this electoral review.

Western parishes



Ward name	Number of councillors	Variance 2027
Normandy & Pirbright	2	-5%
Shalford & Pilgrims	3	-8%
Worplesdon	3	1%

Normandy & Pirbright

45 We received five submissions that related to the parishes of Normandy and Pirbright. The Council proposed to merge the existing single-councillor Normandy and Pirbright wards, stating that the ‘respective wards each have a distinctive village with outlying smaller settlements and share similar topography’. Pirbright Parish

Council and three local residents provided evidence demonstrating how the current wards reflect communities in the area.

46 Under the present warding arrangement, Pirbright ward is anticipated to be over-represented by 2027, with a forecast electoral variance of -15%. This means we are unable to retain the existing ward if we are to ensure good electoral equality. We consider that the Council's proposal to unite the two parishes in a two-councillor Normandy & Pirbright ward to be the best solution to remedy this over-representation, creating a ward with a forecast electoral variance of -5% by 2027.

47 We were not persuaded to adopt a local resident's proposal to link Normandy with either Wanborough or Worplesdon, as either suggestion would result in poor electoral equality for our proposed Shalford & Pilgrims and Worplesdon wards.

Shalford & Pilgrims

48 We have based our recommendations for this area of the borough on the Council's proposals, which merged the existing Pilgrims and Shalford wards into a larger three-councillor Shalford & Pilgrims ward to achieve good electoral equality. The existing Pilgrims ward is projected to have poor electoral equality by 2027, with a forecast variance of -16%. We agree with the Council that this ward has good internal road links along the A3, A31 and B3000. Our draft recommendations result in a three-councillor Shalford & Pilgrims ward with an electoral variance of -8% by 2027.

49 A local resident opposed the existing Shalford ward, suggesting Shalford village shares more in common with the south of Guildford town and Chilworth village, rather than with the rural communities to the east. In this particular case, we were not persuaded that enough community evidence had been provided for us to include Shalford parish within a Guildford town ward. Nonetheless, we would welcome any comments regarding this decision during the current consultation.

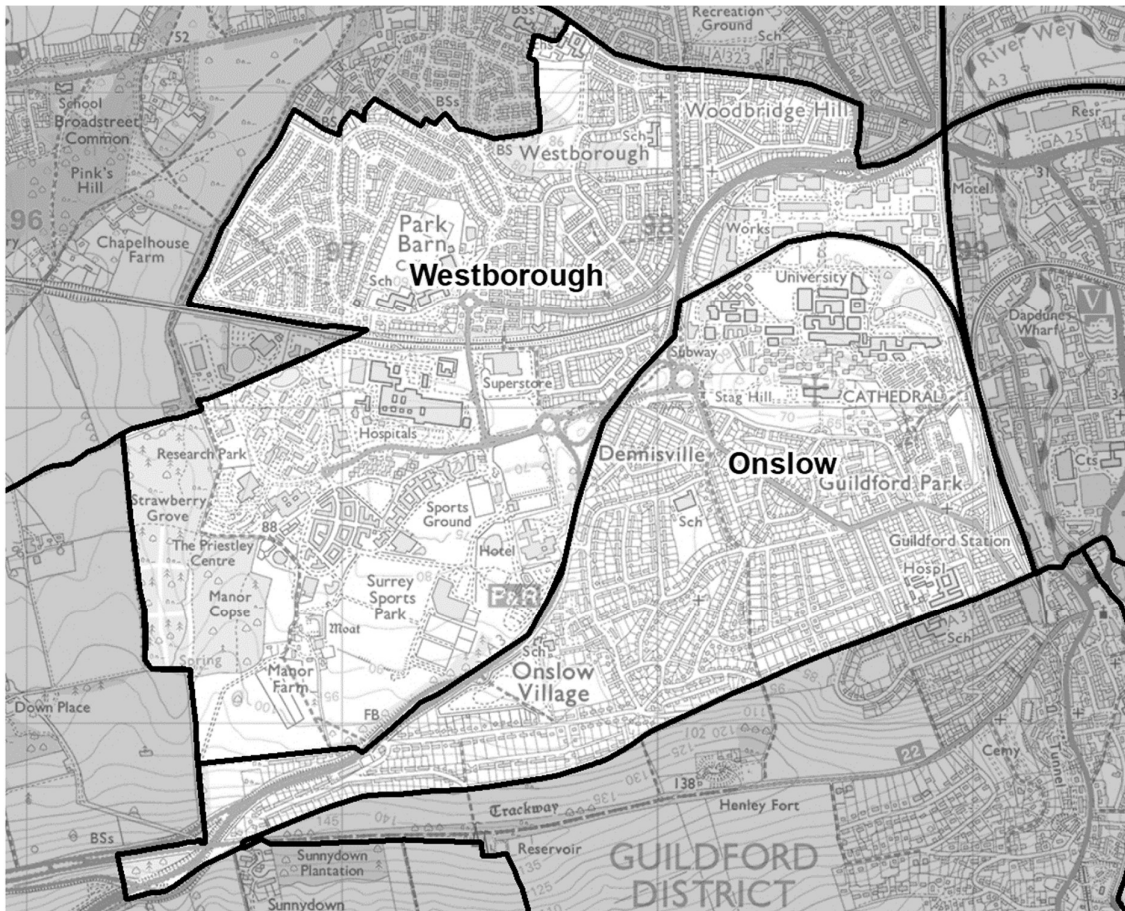
50 Another local resident suggested that Chilworth village, which is split across the parishes of Shalford and St Martha, be fully contained within either parish. This, however, falls outside the scope of this electoral review and a community governance review, conducted by the borough council, would be required for this change.

51 Seale & Sands Parish Council suggested that Upper Eashing would fit more appropriately within Waverley borough, while Runfold would fit more appropriately within Guildford borough rather than Waverley. However, changing the external boundaries between the two boroughs falls outside the parameters of this electoral review.

Worplesdon

52 We have based our draft recommendations for Worplesdon ward on the current ward boundaries, as proposed by the Council. The current ward, which is coterminous with the parish boundary, is forecast to have good electoral equality in 2027.

West Guildford

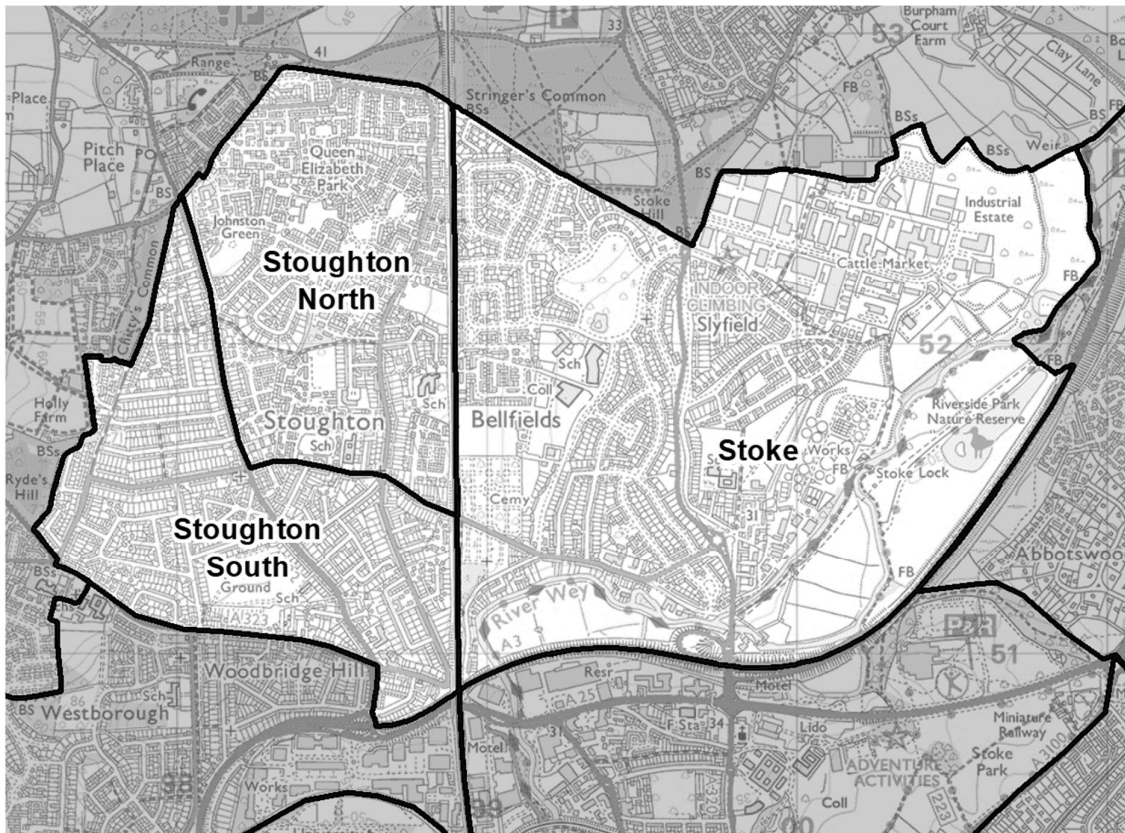


Ward name	Number of councillors	Variance 2027
Onslow	3	-9%
Westborough	3	-10%

Onslow and Westborough

53 We have based our draft recommendations for Onslow and Westborough wards on the Council’s proposals, apart from two modifications. We propose to amend the Council’s boundary, which followed the A3, to instead follow the railway line to reflect road access routes from the A3 into Ash Grove. This would result in Ash Grove, the industrial estate and the business park being incorporated in our proposed Westborough ward. We have also included Beechcroft Drive within Onslow ward to again reflect road access routes from the A3. Under our recommendations, these wards will have good electoral equality in 2027 and will, in our view, reflect community identities.

North Guildford



Ward name	Number of councillors	Variance 2027
Stoke	2	0%
Stoughton North	2	-7%
Stoughton South	2	-5%

Stoke

54 We have decided to retain the existing Stoke ward as part of our draft recommendations, as proposed by the Council. The current ward is anticipated to have good electoral equality in 2027 and we are content that it sufficiently reflects community identities in the area.

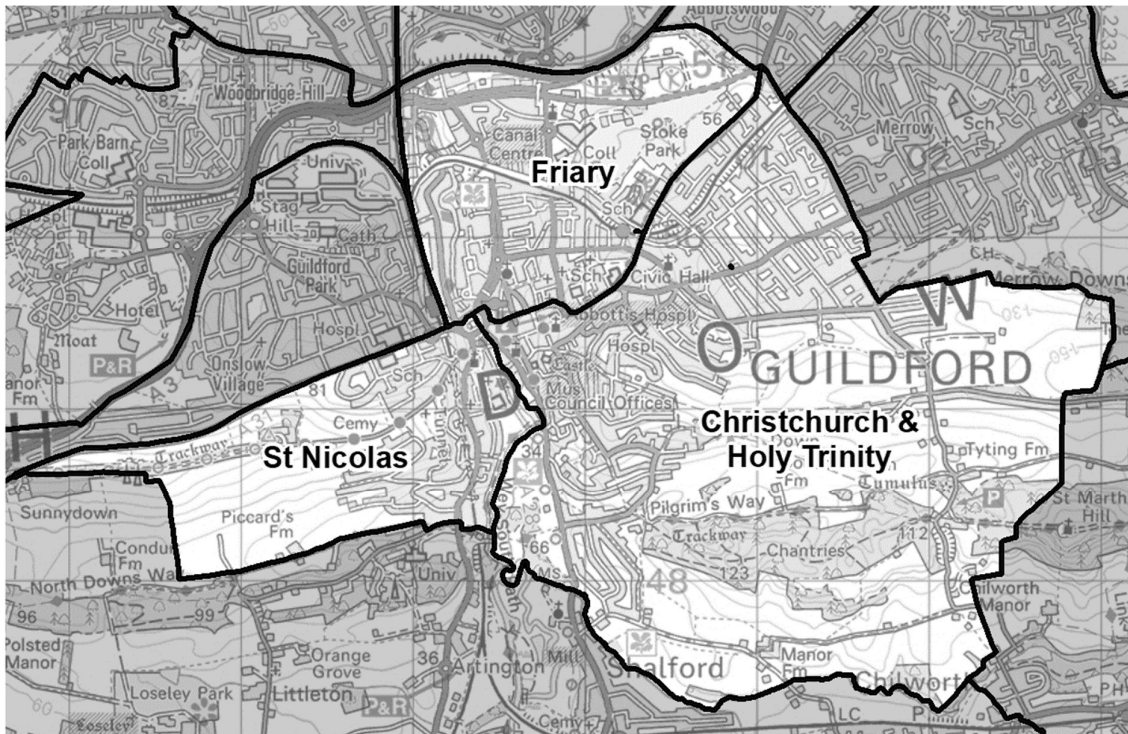
55 A local resident requested that the Slyfield Industrial Estate be fully incorporated in Stoke ward. We could not adopt this proposal as it would result in the creation of a parish ward for Worplesdon parish with no electors, which would not provide for effective and convenient local government. The local resident also suggested that the Jacobs Well area be included within a Burpham or Stoke ward. We decided not to adopt this proposal as it would result in unacceptably high forecast electoral variances of 26% and 20% for our proposed Burpham and Stoke wards, respectively.

Stoughton North and Stoughton South

56 We have accepted the Council's proposed Stoughton North and Stoughton South wards in their entirety. The Council proposed these two-councillor wards to replace the existing three-councillor Stoughton ward, as a result of their proposals for Westborough ward, which is bounded in the north by A323. We consider this to be a clearer boundary than the current one that runs between Byrefield Road and Sheepfold Road. The Council also stated in its submission that Stoughton Recreation Ground, which comprises the Stoughton Youth and Community Centre and currently sits within Westborough ward, would be included in their proposed Stoughton South ward. We consider the recreation ground to be focal point of the Stoughton community and including it in a Stoughton South ward will better reflect community identities and interests in the area.

57 The boundary between our proposed Stoughton North and Stoughton South wards follows Worplesdon Road and Stoughton Road. We determined that these roads would provide for clear and identifiable boundaries. Our Stoughton North and Stoughton South wards will have forecast electoral variances of -7% and -5%, respectively, meaning both wards are anticipated to have good electoral equality by 2027.

Central Guildford



Ward name	Number of councillors	Variance 2027
Christchurch & Holy Trinity	3	3%
Friary	3	7%
St Nicolas	1	-4%

Christchurch & Holy Trinity

58 We are proposing to adopt the Christchurch & Holy Trinity ward proposed by the Council as part of our draft recommendations, subject to boundary changes in the north of the ward, where we propose the boundary follow London Road, as opposed to the edge of Stoke Park. We consider this to be a clearer, more identifiable boundary. We also note that this ward will include Christ Church on Waterden Road, meaning the ward will now include the church from which it takes its name. This was previously not the case, as the church is currently located in Holy Trinity ward.

59 The Council considered proposing a two-councillor Holy Trinity ward and a single-councillor Christchurch ward, but decided not to. The Council determined that a single-councillor ward in the town would not be appropriate, providing no further justification for this point of view. However, the allocation of councillors per ward is firmly based upon how it reflects our statutory criteria and we would recommend a single-councillor ward within the town if we received evidence that it would provide for good electoral equality, reflect communities and aid effective and convenient local

government. We therefore welcome comments regarding this decision during the current consultation.

60 Councillor Booth requested that Kyngeshene Gardens, which is split between the existing Christchurch and Holy Trinity wards, should be wholly contained within Christchurch ward. As a result of proposing a three-councillor Christchurch & Holy Trinity ward, Kyngeshene Gardens will now sit wholly within this ward.

61 A local resident opposed naming some of the wards in Guildford town after churches but did not provide any alternative names. We are therefore retaining them as part of draft recommendations but we also welcome comments on this decision during the current consultation.

Friary and St Nicolas

62 A high level of residential development is expected within the existing three-councillor Friary & St Nicolas ward, resulting in the ward being significantly under-represented by 2027, with a forecast electoral variance of 27%. This therefore necessitated significant changes to the existing ward to meet our statutory criteria.

63 The Council proposed a two-councillor Friary ward, bounded by the River Wey to the west, North Street and High Street to the south, the railway line and the edge of Stoke Park to the east, and following the A3 to the north. The Council also proposed a two-councillor St Nicolas & Riverside ward that would combine the St Nicolas area with the area along Walnut Tree Close, where a vast majority of the residential development in the town is taking place.

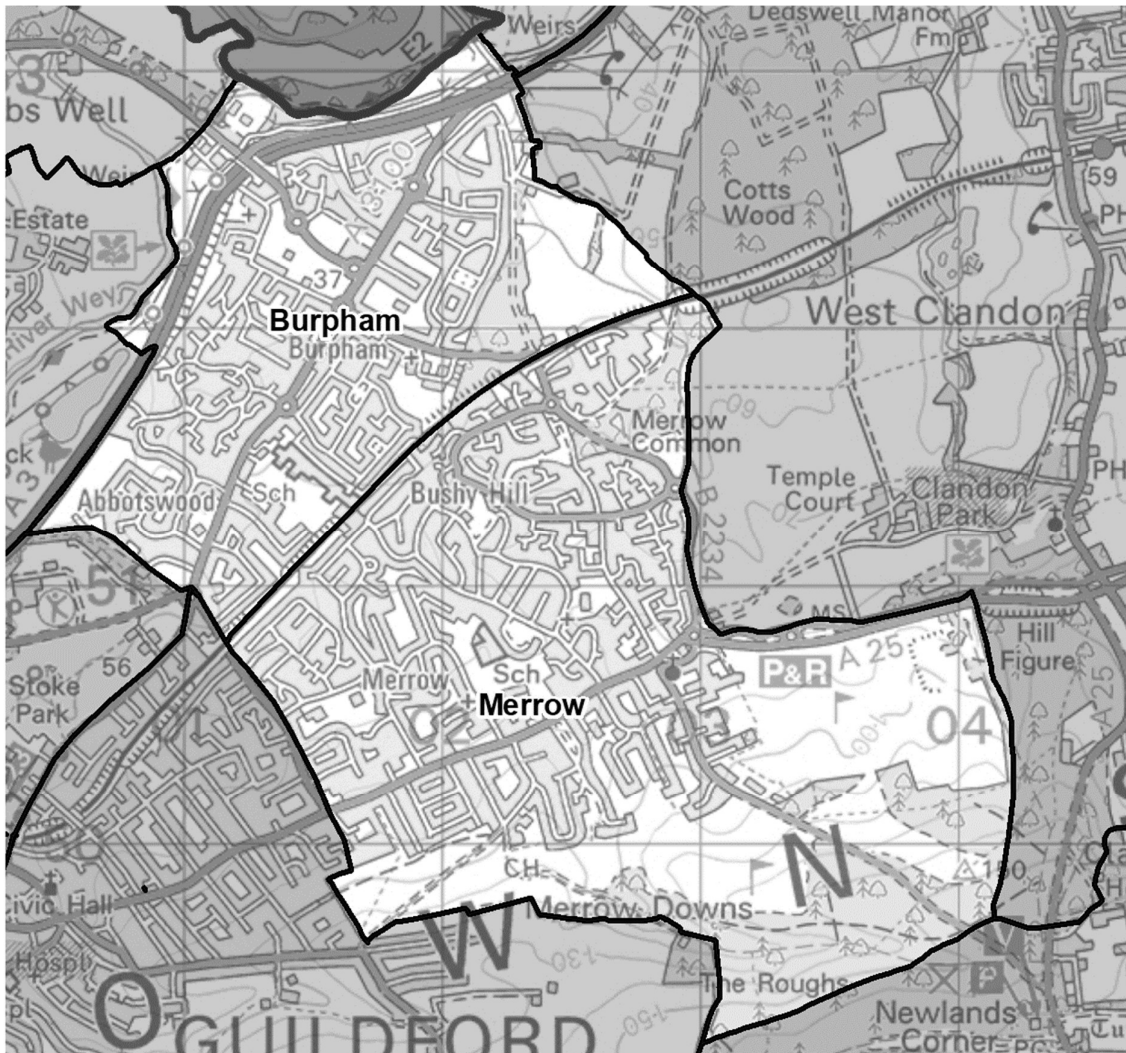
64 We carefully examined this warding arrangement on our virtual tour of Guildford. While the remainder of our proposed Friary and St Nicolas wards will closely resemble the proposals made by the Council, we consider that the area along Walnut Tree Close would fit more appropriately within Friary ward, with the A31 and Bridge Street representing a strong and identifiable boundary. Consequently, we are recommending a three-councillor Friary ward and a single-councillor St Nicolas ward as part of our draft recommendations. We regard this proposal as the best reflection of our statutory criteria, with our proposed Friary and St Nicolas wards to have forecast electoral variances of 7% and -4%, respectively, by 2027.

65 Our draft recommendations for Friary ward also reflect the strong community evidence provided by a local resident who requested the area bounded by Stoke Road, Chertsey Street, London Road and the railway line be included within Friary ward rather than in Holy Trinity ward, as at present. They stated that electors in this area predominantly look towards the area comprising the existing Friary ward for their local facilities. This submission strengthened our view that our

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Appendix 1

recommendations for Friary ward will effectively reflect community identities and interests in this area.

East Guildford



Ward name	Number of councillors	Variance 2027
Burpham	2	6%
Merrow	3	2%

Burpham

66 We received five submissions that related to Burpham, coming from the Council, Councillor Potter and a local resident, with two submitted by the Burpham Neighbourhood Forum. The latter three submissions all argued that the current arrangements for Burpham ward should be retained. However, the Council extended the existing Burpham ward, incorporating the roads of Abbotswood, Boxgrove Avenue, Ganghill and Westward Ho. Councillor Potter supported the preservation of the existing Burpham ward but would support the inclusion of the aforementioned roads, stating that they do look towards Burpham for local amenities.

67 We have decided to include the roads of Abbotswood, Boxgrove Avenue, Ganghill and Westward Ho within Burpham ward as part of our draft recommendations. We agree with the Council and Councillor Potter that electors residing in these roads are more likely to share a closer affinity with the rest of the Burpham community, rather than the communities that comprise our proposed Friary and Christchurch & Holy Trinity wards.

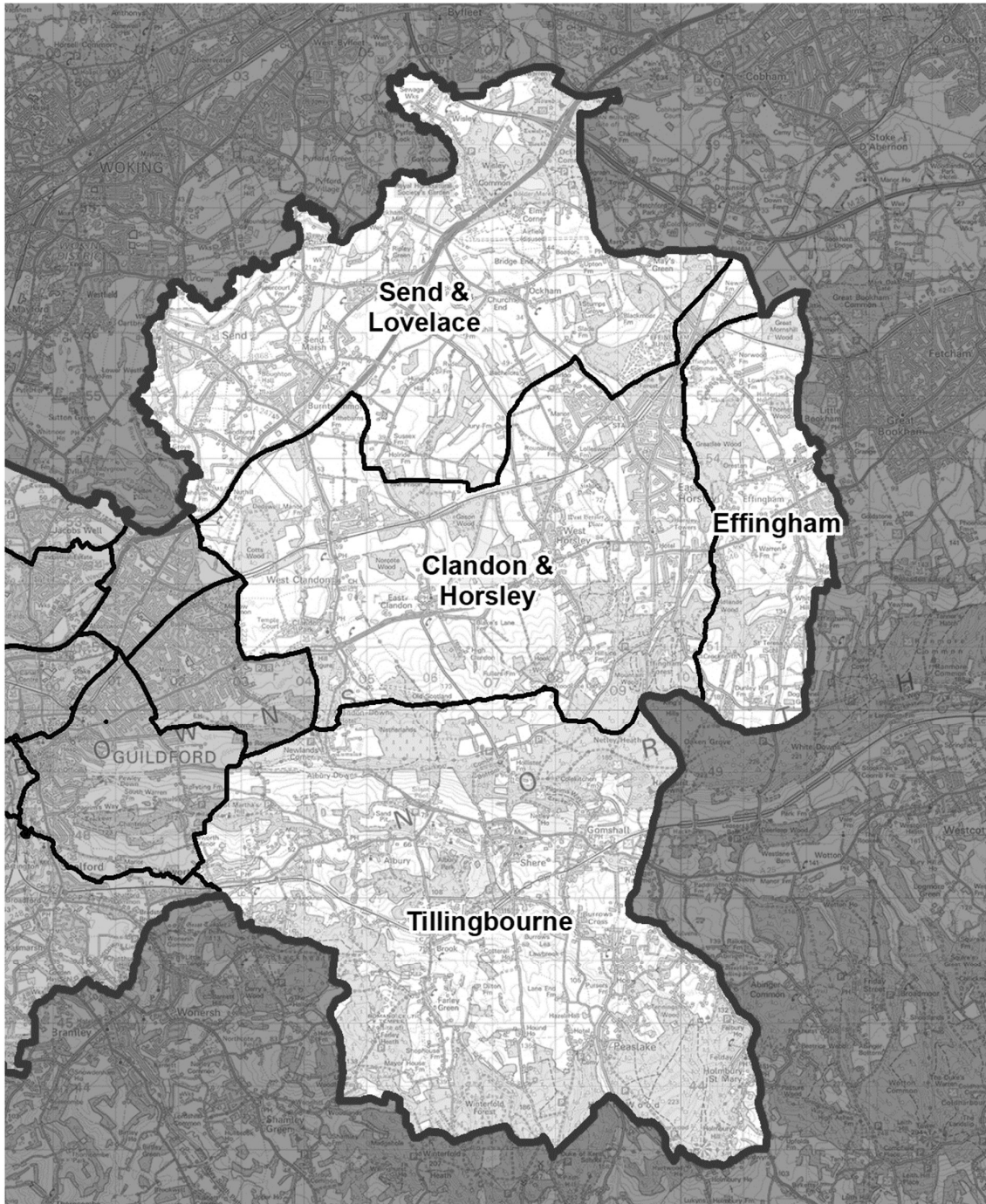
68 Councillor Potter also suggested that the potential development at Gosden Hill be included wholly within Burpham ward. However, the outline of development is split across the existing Burpham ward and West Clandon parish. Therefore, if we included the development entirely within an expanded Burpham ward that incorporated a part of West Clandon parish, it would necessitate the creation of a parish ward for West Clandon with no electors, given any development is expected to begin after the first parish election in 2023. The creation of a parish ward with no electors would not provide for effective and convenient local government, so we have not adopted this proposal as part of draft recommendations.

Merrow

69 We have based our draft recommendations for Merrow ward on the Council's proposals, which expanded the existing ward westwards up to Boxgrove Road, thereby including electors residing in the area covered by the Boxgrove Park Residents' Association within the ward. This was supported by the Merrow Residents' Association, but opposed by Boxgrove Park Residents' Association, who expressed support for the current arrangement which placed the area within Christchurch ward. A local resident supported the retention of the existing ward.

70 We carefully examined all the evidence received concerning this area, particularly because of the diametrically opposing views held by the two resident associations regarding the Boxgrove Park area. As part of our draft recommendations, we have decided to incorporate the Boxgrove Park area within our proposed Merrow ward. Given that the existing Merrow ward is forecast to have an electoral variance of -14% by 2027, we consider that expanding the ward westwards was the most logical solution to address this poor electoral equality, resulting in a proposed Merrow ward that would have a forecast electoral variance of 2%. We also consider that the proposed boundary along Boxgrove Road to be a stronger, more identifiable one than the present one which runs through part of Merrow Copse and divides Greencroft between wards.

Eastern parishes



Ward name	Number of councillors	Variance 2027
Clandon & Horsley	3	6%
Effingham	1	5%
Send & Lovelace	3	3%
Tillingbourne	2	-5%

Clandon & Horsley

71 We received five submissions relating to the area covered by the existing Clandon & Horsley ward. The Council proposed to broadly retain the existing ward (subject to a small modification outlined in paragraph 73), while the Mole Valley Conservative Association suggested a significantly different warding arrangement for the area, proposing a three-councillor East Horsley & Effingham ward, a three-councillor Lovelace & West Horsley ward and a two-councillor Send & West Clandon ward. East Horsley Parish Council, West Horsley Parish Council and West Clandon Parish Council each provided strong evidence in support of keeping the three parishes, and East Clandon parish, together in a single ward.

72 We carefully examined both proposals and have decided to adopt the three-councillor Clandon & Horsley ward, as submitted by the Council and as requested by three of the four constituent parishes. We were persuaded by the evidence received that this ward would best reflect the community identities and interests of the constituent parishes. We also considered the Mole Valley Conservative Association proposal to divide these parishes between three different borough wards would not be reflective of community identities in the area.

73 We have also included Heath View, Heath Way, Berrington Avenue and Orchard Close within our proposed Clandon & Horsley ward, as suggested by the Council. This is due to a Reorganisation of Community Governance Order made by the Council that will include the entirety of these roads within East Horsley parish from 2023. Including these roads within our Clandon & Horsley ward will mean that the proposed borough ward boundary will become coterminous with the new parish boundary at the next local elections, aiding effective and convenient local government.

Effingham

74 Four submissions were received in relation to Effingham during consultation. The Council proposed retaining the existing single-councillor Effingham ward. This was supported by Effingham Parish Council. The Mole Valley Conservative Association suggested combining Effingham parish in a ward with East Horsley parish.

75 Given our decision to adopt a Clandon & Horsley ward, as justified in paragraph 72, we are unable to adopt the East Horsley & Effingham ward as proposed by the Mole Valley Conservative Association. In any case, we consider that our proposals here provide the best balance of our statutory criteria. This is because our proposed Effingham ward will have good electoral equality in 2027 and will reflect community identities, based on the evidence received from the Council and Effingham Parish Council.

76 A local resident suggested that Dirtham Lane, which is in Effingham parish, be placed in East Horsley parish. However, as mentioned in paragraph 50, changing parish boundaries falls outside the scope of this electoral review and is the responsibility of the Council, via a community governance review.

Send & Lovelace

77 We received several submissions relating to the area covered by the existing Send and Lovelace wards, where a high level of residential development is expected, resulting in the need to change the existing wards to ensure good electoral equality. The Council proposed to merge the two wards, creating a three-councillor Send & Lovelace ward. We decided not to adopt the Mole Valley Conservative Association's proposals for a three-councillor Lovelace & West Horsley ward and a two-councillor Send & West Clandon ward given our decision to adopt a Clandon & Horsley ward. The Royal Horticultural Society, which is based in Wisley parish, stated that the parish is 'definably rooted in the history of Lovelace ward', stating further that the A3 represents a barrier with Ockham, with better transport links to Ripley.

78 Ripley Parish Council and a local resident suggested Lovelace ward be represented by two councillors as a result of the development at the former Wisley Airfield. This, however, would result in a forecast electoral variance of -32%. We consider that this variance is too high to accept. Similarly, we were unable to adopt Send Parish Council's request to retain the two-councillor Send ward, as the current ward is forecast to have an electoral variance of -14% by 2027.

79 After careful consideration of evidence received, we have decided to adopt the Council's three-councillor Send & Lovelace ward as part of our draft recommendations. We consider this ward provides the best reflection of our statutory criteria, providing for good electoral equality, with the constituent parishes sharing close road links via the A3 and the B2215.

Tillingbourne

80 We have based our draft recommendations for Tillingbourne ward on the current boundaries, as proposed by the Council and the Mole Valley Conservative Association. The retention of the existing ward was supported by Shere Parish Council. The current ward is forecast to have good electoral equality in 2027 and will reflect community identities, based on the evidence received.

Conclusions

81 The table below provides a summary as to the impact of our draft recommendations on electoral equality in Guildford, referencing the 2020 and 2027 electorate figures against the proposed number of councillors and wards. A full list of wards, names and their corresponding electoral variances can be found in Appendix A to the back of this report. An outline map of the wards is provided in Appendix B.

Summary of electoral arrangements

	Draft recommendations	
	2020	2027
Number of councillors	48	48
Number of electoral wards	20	20
Average number of electors per councillor	2,151	2,463
Number of wards with a variance more than 10% from the average	10	0
Number of wards with a variance more than 20% from the average	1	0

Draft recommendations

Guildford Borough Council should be made up of 48 councillors serving 20 wards representing 10 three-councillor wards, eight two-councillor wards and two single-councillor wards. The details and names are shown in Appendix A and illustrated on the large maps accompanying this report.

Mapping

Sheet 1, Map 1 shows the proposed wards for Guildford Borough Council. You can also view our draft recommendations for Guildford on our interactive maps at www.consultation.lgbce.org.uk

Parish electoral arrangements

82 As part of an electoral review, we are required to have regard to the statutory criteria set out in Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). The Schedule provides that if a parish is to be divided between different wards it must also be divided into parish wards, so that each parish ward lies wholly within a single ward. We cannot recommend changes to the external boundaries of parishes as part of an electoral review.

83 Under the 2009 Act, we only have the power to make changes to parish electoral arrangements where these are a direct consequence of our recommendations for principal authority warding arrangements. However, Guildford Borough Council has powers under the Local Government and Public Involvement in Health Act 2007 to conduct community governance reviews to effect changes to parish electoral arrangements.

84 As a result of our proposed ward boundaries and having regard to the statutory criteria set out in schedule 2 to the 2009 Act, we are providing revised parish electoral arrangements for Ash.

85 We are providing revised parish electoral arrangements for Ash parish.

Draft recommendations

Ash Parish Council should comprise 12 councillors, as at present, representing three wards:

Parish ward	Number of parish councillors
Ash South	4
Ash Vale	4
Ash Wharf	4

Have your say

86 The Commission has an open mind about its draft recommendations. Every representation we receive will be considered, regardless of who it is from or whether it relates to the whole borough or just a part of it.

87 If you agree with our recommendations, please let us know. If you don't think our recommendations are right for Guildford, we want to hear alternative proposals for a different pattern of wards.

88 Our website has a special consultation area where you can explore the maps. You can find it at www.consultation.lgbce.org.uk

89 Submissions can also be made by emailing reviews@lgbce.org.uk or by writing to:

Review Officer (Guildford)
LGBCE
PO Box 133
Blyth
NE14 9FE

90 The Commission aims to propose a pattern of wards for Guildford which delivers:

- Electoral equality: each local councillor represents a similar number of electors.
- Community identity: reflects the identity and interests of local communities.
- Effective and convenient local government: helping your council discharge its responsibilities effectively.

91 A good pattern of wards should:

- Provide good electoral equality, with each councillor representing, as closely as possible, the same number of electors.
- Reflect community interests and identities and include evidence of community links.
- Be based on strong, easily identifiable boundaries.
- Help the council deliver effective and convenient local government.

92 Electoral equality:

- Does your proposal mean that councillors would represent roughly the same number of electors as elsewhere in Guildford?

93 Community identity:

- Community groups: is there a parish council, residents' association or other group that represents the area?
- Interests: what issues bind the community together or separate it from other parts of your area?
- Identifiable boundaries: are there natural or constructed features which make strong boundaries for your proposals?

94 Effective local government:

- Are any of the proposed wards too large or small to be represented effectively?
- Are the proposed names of the wards appropriate?
- Are there good links across your proposed wards? Is there any form of public transport?

95 Please note that the consultation stages of an electoral review are public consultations. In the interests of openness and transparency, we make available for public inspection full copies of all representations the Commission takes into account as part of a review. Accordingly, copies of all representations will be placed on deposit at our offices and on our website at www.lgbce.org.uk. A list of respondents will be available from us on request after the end of the consultation period.

96 If you are a member of the public and not writing on behalf of a council or organisation we will remove any personal identifiers. This includes your name, postal or email addresses, signatures or phone numbers from your submission before it is made public. We will remove signatures from all letters, no matter who they are from.

97 In the light of representations received, we will review our draft recommendations and consider whether they should be altered. As indicated earlier, it is therefore important that all interested parties let us have their views and evidence, **whether or not** they agree with the draft recommendations. We will then publish our final recommendations.

98 After the publication of our final recommendations, the changes we have proposed must be approved by Parliament. An Order – the legal document which brings into force our recommendations – will be laid in draft in Parliament. The draft

Agenda item number: 13
Appendix 1

Order will provide for new electoral arrangements to be implemented at the all-out elections for Guildford Borough Council in 2023.

Equalities

99 The Commission has looked at how it carries out reviews under the guidelines set out in Section 149 of the Equality Act 2010. It has made best endeavours to ensure that people with protected characteristics can participate in the review process and is sufficiently satisfied that no adverse equality impacts will arise as a result of the outcome of the review.

Appendices

Appendix A

Draft recommendations for Guildford Borough Council

	Ward name	Number of councillors	Electorate (2020)	Number of electors per councillor	Variance from average %	Electorate (2027)	Number of electors per councillor	Variance from average %
1	Ash South & Tongham	3	5,689	1,896	-12%	7,605	2,535	3%
2	Ash Vale	2	5,153	2,577	20%	5,418	2,709	10%
3	Ash Wharf	2	4,821	2,411	12%	5,403	2,701	10%
4	Burpham	2	5,003	2,502	16%	5,229	2,614	6%
5	Christchurch & Holy Trinity	3	7,277	2,426	13%	7,647	2,549	3%
6	Clandon & Horsley	3	7,132	2,377	11%	7,803	2,601	6%
7	Effingham	1	2,001	2,001	-7%	2,587	2,587	5%
8	Friary	3	5,386	1,795	-17%	7,914	2,638	7%
9	Merrow	3	7,277	2,426	13%	7,511	2,504	2%
10	Normandy & Pirbright	2	4,616	2,308	7%	4,688	2,344	-5%
11	Onslow	3	4,987	1,662	-23%	6,695	2,232	-9%

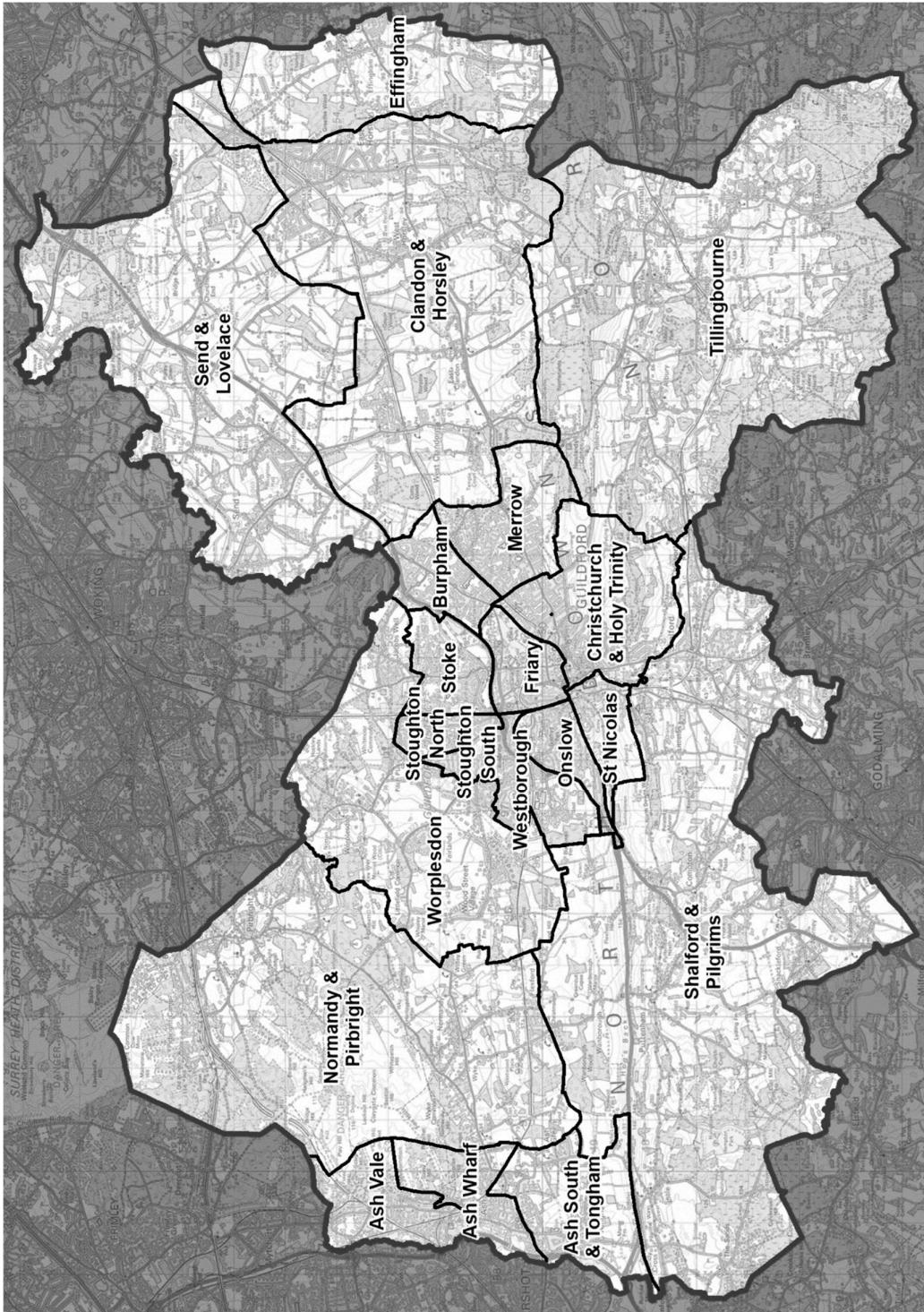
Ward name	Number of councillors	Electorate (2020)	Number of electors per councillor	Variance from average %	Electorate (2027)	Number of electors per councillor	Variance from average %
12 Send & Lovelace	3	5,388	1,796	-17%	7,610	2,537	3%
13 Shalford & Pilgrims	3	6,289	2,096	-3%	6,799	2,266	-8%
14 St Nicolas	1	2,303	2,303	7%	2,360	2,360	-4%
15 Stoke	2	4,526	2,263	5%	4,951	2,475	0%
16 Stoughton North	2	4,319	2,160	0%	4,602	2,301	-7%
17 Stoughton South	2	4,394	2,197	2%	4,655	2,328	-5%
18 Tillingbourne	2	4,485	2,243	4%	4,672	2,336	-5%
19 Westborough	3	5,856	1,952	-9%	6,633	2,211	-10%
20 Worplesdon	3	6,351	2,117	-2%	7,444	2,481	1%
Totals	48	103,253	-	-	118,226	-	-
Averages	-	-	2,151	-	-	2,463	-

Source: Electorate figures are based on information provided by Guildford Borough Council.

Note: The 'variance from average' column shows by how far, in percentage terms, the number of electors per councillor in each electoral ward varies from the average for the borough. The minus symbol (-) denotes a lower than average number of electors. Figures have been rounded to the nearest whole number.

Appendix B

Outline map



A more detailed version of this map can be seen on the large map accompanying this report, or on our website: www.lgbce.org.uk/all-reviews/south-east/surrey/guildford

Appendix C

Submissions received

All submissions received can also be viewed on our website at:

www.lgbce.org.uk/all-reviews/south-east/surrey/guildford

Local Authority

- Guildford Borough Council

Political Groups

- Mole Valley Conservative Association
- The Peace Party

Councillors

- Councillor D. Booth (Guildford Borough Council)
- Councillor G. Potter (Guildford Borough Council and Surrey County Council)

Local Organisations

- Boxgrove Park Residents' Association Committee
- Burpham Neighbourhood Forum x 2
- Merrow Residents' Association
- The Royal Horticultural Society

Parish and Town Councils

- East Horsley Parish Council
- Effingham Parish Council
- Pirbright Parish Council
- Ripley Parish Council
- Seale & Sands Parish Council
- Send Parish Council
- Shere Parish Council
- West Clandon Parish Council
- West Horsley Parish Council

Local Residents

- 23 local residents

Appendix D

Glossary and abbreviations

Council size	The number of councillors elected to serve on a council
Electoral Change Order (or Order)	A legal document which implements changes to the electoral arrangements of a local authority
Division	A specific area of a county, defined for electoral, administrative and representational purposes. Eligible electors can vote in whichever division they are registered for the candidate or candidates they wish to represent them on the county council
Electoral inequality	Where there is a difference between the number of electors represented by a councillor and the average for the local authority
Electorate	People in the authority who are registered to vote in elections. We only take account of electors registered specifically for local elections during our reviews.
Number of electors per councillor	The total number of electors in a local authority divided by the number of councillors
Over-represented	Where there are fewer electors per councillor in a ward or division than the average
Parish	A specific and defined area of land within a single local authority enclosed within a parish boundary. There are over 10,000 parishes in England, which provide the first tier of representation to their local residents

Parish council	A body elected by electors in the parish which serves and represents the area defined by the parish boundaries. See also 'Town council'
Parish (or town) council electoral arrangements	The total number of councillors on any one parish or town council; the number, names and boundaries of parish wards; and the number of councillors for each ward
Parish ward	A particular area of a parish, defined for electoral, administrative and representational purposes. Eligible electors can vote in whichever parish ward they live for candidate or candidates they wish to represent them on the parish council
Town council	A parish council which has been given ceremonial 'town' status. More information on achieving such status can be found at www.nalc.gov.uk
Under-represented	Where there are more electors per councillor in a ward or division than the average
Variance (or electoral variance)	How far the number of electors per councillor in a ward or division varies in percentage terms from the average
Ward	A specific area of a district or borough, defined for electoral, administrative and representational purposes. Eligible electors can vote in whichever ward they are registered for the candidate or candidates they wish to represent them on the district or borough council

The
Local Government
Boundary Commission
for England

The Local Government Boundary Commission for England (LGBCE) was set up by Parliament, independent of Government and political parties. It is directly accountable to Parliament through a committee chaired by the Speaker of the House of Commons. It is responsible for conducting boundary, electoral and structural reviews of local government.

Local Government Boundary Commission for England
1st Floor, Windsor House
50 Victoria Street, London
SW1H 0TL

Telephone: 0330 500 1525

Email: reviews@lgbce.org.uk

Online: www.lgbce.org.uk

www.consultation.lgbce.org.uk

Twitter: @LGBCE

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PERIODIC ELECTORAL REVIEW OF GUILDFORD BOROUGH COUNCIL

9 FEBRUARY 2022

THE ELECTORAL REVIEW WORKING GROUP'S PROPOSED RESPONSE TO THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND'S (LGBCE) DRAFT RECOMMENDATIONS

1. Introduction

- 1.1 The LGBCE's Draft Recommendations in respect of the Periodic Electoral Review of Guildford Borough Council reflected the Council's own Warding Patterns Submission in respect of all the parished areas of the Borough.
- 1.2 The areas where the Draft Recommendations differed from the Council's submission, to varying degrees, were all located in the unparished town area as follows:
- Burpham ward
 - Christchurch & Holy Trinity ward
 - Friary ward
 - St Nicolas ward
 - Onslow ward
 - Westborough ward

2. Consideration of the differences between the Draft Recommendations and the Council's Submission

- 2.1 In considering each of the above areas where the Draft Recommendations differed from the Council's Submission, the Council is mindful that any further submission in response would still need to provide evidence in support and take into account the three statutory criteria, namely:
- Improving electoral equality by equalising the number of electors that each councillor represents.
 - Ensuring that the recommendations reflect community identity.
 - Providing arrangements that support effective and convenient local government.

Burpham Ward

- 2.2 The Council notes that the LGBCE has agreed with our proposed revised ward boundary for Burpham, with the only minor difference between their Draft Recommendation and our submission being in respect of the south-western boundary with their proposed Friary ward (adjacent to Abbotswood). We had proposed that it should extend slightly further south-west and use a footpath as the ward boundary, but the LGBCE has used a watercourse as the ward boundary (see plan).

- 2.3 As the difference is of such a minor nature, **the Council raises no objection to the Draft Recommendation in respect of Burpham ward.**

Christchurch & Holy Trinity ward

- 2.4 The Council notes that the LGBCE is proposing to adopt the Christchurch & Holy Trinity ward proposed by the Council as part of their Draft Recommendations, subject to boundary changes in the north of the ward, where they propose the boundary should follow London Road, rather than the edge of Stoke Park which they consider to be a clearer, more identifiable boundary (see plan).
- 2.5 The Council accepts that the LGBCE's proposal, the effect of which is to locate Spectrum and all of the green space of Stoke Park in the Friary ward rather than Christchurch & Holy Trinity ward, which already comprises a significant area of green space, had some merit.

2.6 Accordingly, **the Council raises no objection to the Draft Recommendation in respect of the proposed boundaries of the Christchurch & Holy Trinity ward.**

- 2.7 However, the Council, noting that the LGBCE has invited comments on their draft recommendations, not only in respect of the location of the ward boundaries, but also the names of their proposed wards, feels that "*Christchurch & Holy Trinity*" is a rather long name for the new ward.
- 2.8 The Council considered a suggestion for a new name for the ward, which was significantly shorter and referred specifically to a prominent and historic landmark located within the new ward, namely "Castle".
- 2.9 An alternative suggestion considered was "*Holy Trinity*" to reflect the fact that the existing Holy Trinity ward is substantially larger than the existing Christchurch ward, and the Holy Trinity name should prevail given that substantial areas of the existing Christchurch ward would be subsumed into neighbouring Merrow, Burpham and Friary wards.

2.10 Having considered the suggestions, **the Council would like the LGBCE to consider "Castle ward" as the name of the new Christchurch & Holy Trinity ward.**

Friary and St Nicolas wards

- 2.11 The Council notes that the Council's Submission had proposed a two-councillor Friary ward, bounded by the River Wey to the west, North Street and High Street to the south, the railway line and the edge of Stoke Park to the east, and following the A3 to the north. Our Submission had also proposed a two-councillor 'St Nicolas & Riverside' ward that would combine the St Nicolas area with the area along Walnut Tree Close, where considerable residential development in the town was taking place.
- 2.12 However, the LGBCE considers that the area along Walnut Tree Close (the 'Riverside' area of our proposal) would fit more appropriately within Friary ward, with the A31 and Bridge Street representing a strong and identifiable boundary. Consequently, they have recommended a three-councillor Friary ward and a single-councillor St Nicolas ward on the basis that this proposal best reflects the statutory criteria (see plan).

- 2.13 The Council notes that some councillors were opposed to the principle of single-member wards in the town area, and the Council's Submission had included a reference to single member town wards as being inappropriate. The LGBCE have referred to this comment in their report but noted that no further justification for this point of view had been provided. The LGBCE had stated that:
- "...the allocation of councillors per ward is firmly based upon how it reflects our statutory criteria, and we would recommend a single-councillor ward within the town if we received evidence that it would provide for good electoral equality, reflect communities and aid effective and convenient local government. We therefore welcome comments regarding this decision during the current consultation".*
- 2.14 In seeking to address the concern over the principle of single-member wards in the town, the Council acknowledges that issues affecting town wards differed from those affecting rural wards, for example in relation to planning, housing, highways and parking matters. It is felt that such a varied workload was more appropriately dealt with by councillors in a multi-member ward, rather than by one councillor in a single-member ward.
- 2.15 The Council has looked at possible alternative boundary proposals for the Friary and St Nicolas areas that would result in avoiding a single-member ward in the town. It is recognised that the area of the St. Nicolas ward proposed by the LGBCE is constrained by its boundary with the parish of Shalford to the south and south-west, by the river to the east which forms the boundary with the new Christchurch & Holy Trinity ward, and by the A31 to the north which forms the boundary with the proposed Onslow ward.
- 2.16 This means that it would not be practicable to extend St. Nicolas into the existing parished area to the south, neither would it be practicable to extend into Christchurch & Holy Trinity ward because the river is demonstrably a far clearer and more identifiable boundary than a residential road that would inevitably have to form a new ward boundary, and there would be little or no community identity. The Council also acknowledges that extending St Nicolas into the new Onslow ward area north of the A31 would again fail on the community identity criterion and would adversely affect the electoral equality of the new Onslow ward.
- 2.17 The Council's Electoral Review Working Group considered whether the Council should try to make a better case for the 'St. Nicolas & Riverside' ward proposal within its Warding Patterns Submission. It was noted that vehicular travel from the new Friary ward into the 'Riverside' area around Walnut Tree Close was only accessible via roads outside of the ward – i.e., via the gyratory system necessitating travel into the Christchurch & Holy Trinity ward and the St. Nicolas ward. The only pedestrian/cycle access across the river between the two areas was via the new Walnut Bridge.

- 2.18 However, on balance, the Council feels that the LGBCE's Draft Recommendations in respect of the Friary and St Nicolas wards better reflects the statutory criteria than the Council's proposals in its Warding Patterns Submission. Accordingly, the Council **raises no objection to the Draft Recommendations in respect of the proposed Friary and St Nicolas wards.**

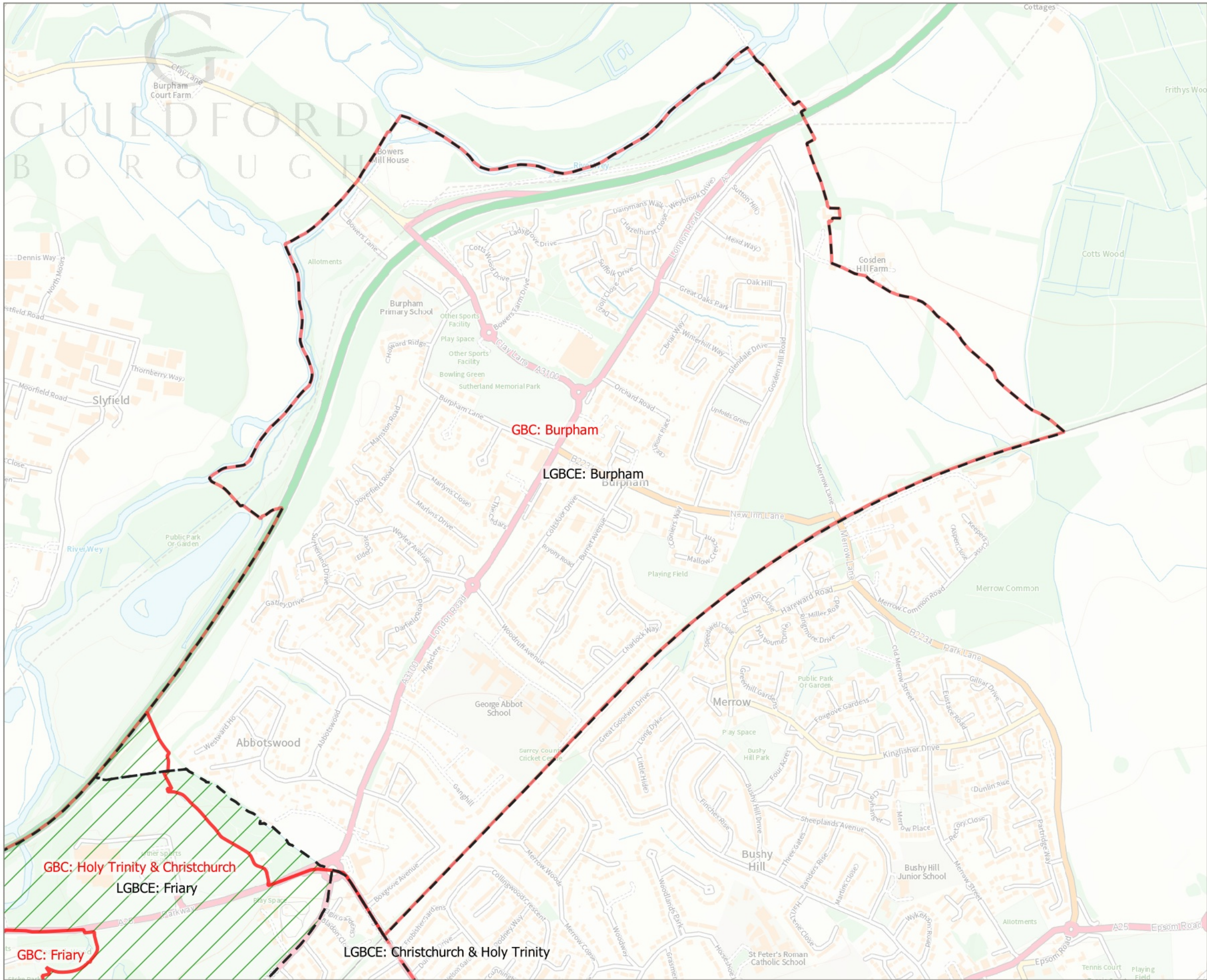
Onslow and Westborough wards

- 2.19 The Council notes that the LGBCE have based their draft recommendations for Onslow and Westborough wards on the Council's proposals in our Submission, subject to two modifications:
- (a) Whereas our proposed boundary between Onslow and Westborough comprised the A3, the LGBCE propose to use the A3 up to the railway line and then to follow the railway line. The rationale behind this is, according to the LGBCE, that it reflects road access routes from the A3 into Ash Grove, resulting in Ash Grove, the industrial estate, and the business park being incorporated into their proposed Westborough ward.
 - (b) The LGBCE have also included Beechcroft Drive within Onslow ward to again reflect road access routes from the A3
- 2.20 These modifications can be seen on the plan.
- 2.21 In relation to modification (a) above, the Council does not agree with the LGBCE as there is, in fact, no direct road access route from the A3 into Ash Grove (vehicular access to Ash Grove is via Cathedral Hill). The Council feels that the A3, which cuts diagonally through Guildford and forms a significant and identifiable boundary between a number of proposed town wards, should continue to form the boundary between the new Onslow and Westborough wards to the north. The effect of this would mean that Ash Grove, the industrial estate, and the business park would remain in Onslow ward.
- 2.22 The Council considers that modification (b) has some merit and would keep Beechcroft Drive in the Onslow ward.

2.23 In response to the Draft Recommendations in respect of the proposed Onslow and Westborough wards, the Council:

- (1) objects to modification (a) above, for the reasons stated, and recommends that the LGBCE adopts the proposed ward boundary set out in the Council's Warding Patterns Submission; and**
- (2) raises no objection to modification (b) above.**

Boundary Review 2021: Comparison of Proposed Warding Pattern of Burpham Ward



Legend

- GBC Proposed Ward
- LGBCE Proposed Ward
- Area of difference between proposals

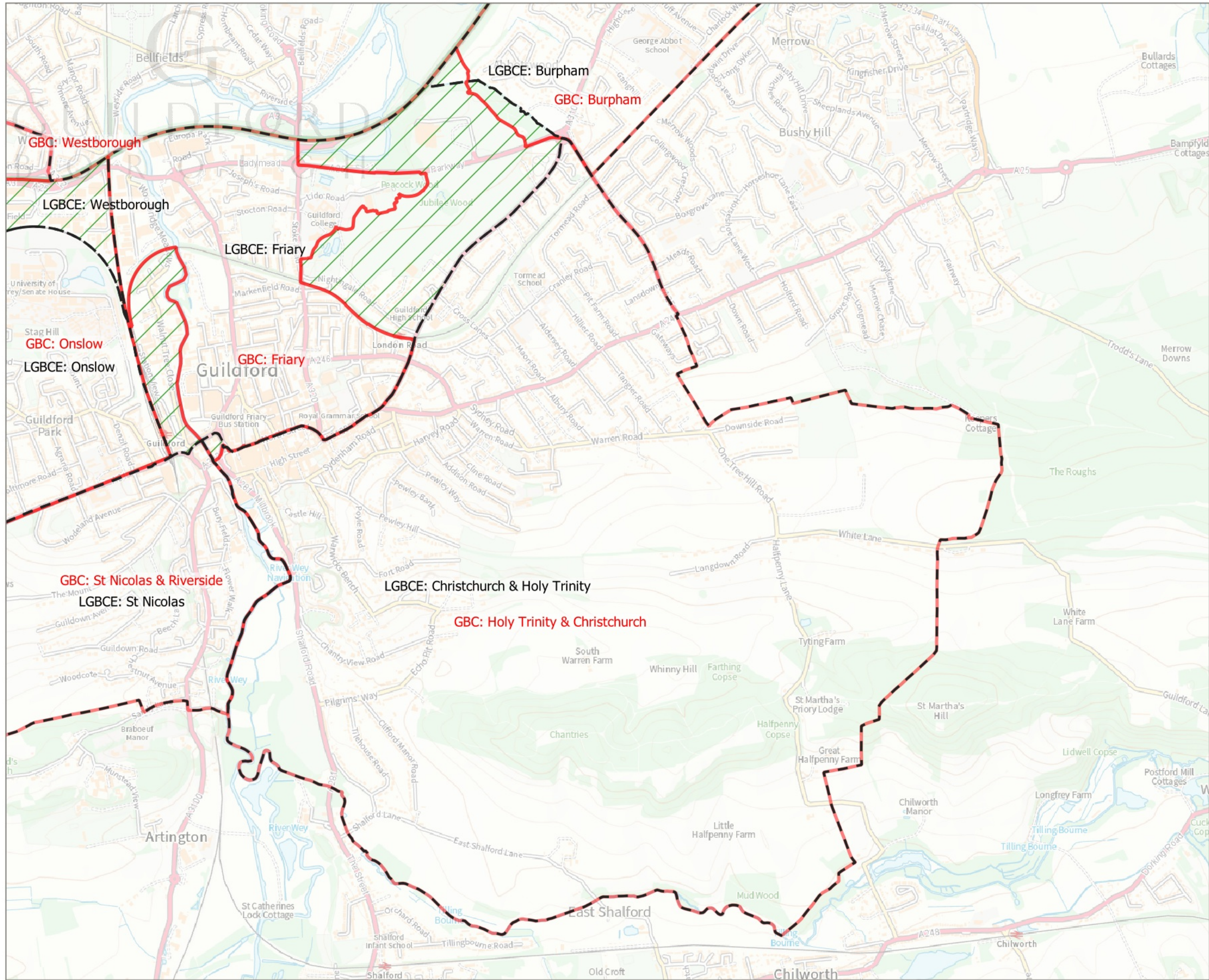
Publication Date: 2021-12-06

Scale at A3:
Diagrammatic

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Boundary Review 2021: Comparison of Proposed Warding Pattern of Holy Trinity & Christchurch Ward



Legend

- GBC Proposed Ward
- LGBCE Proposed Ward
- Area of difference between proposals

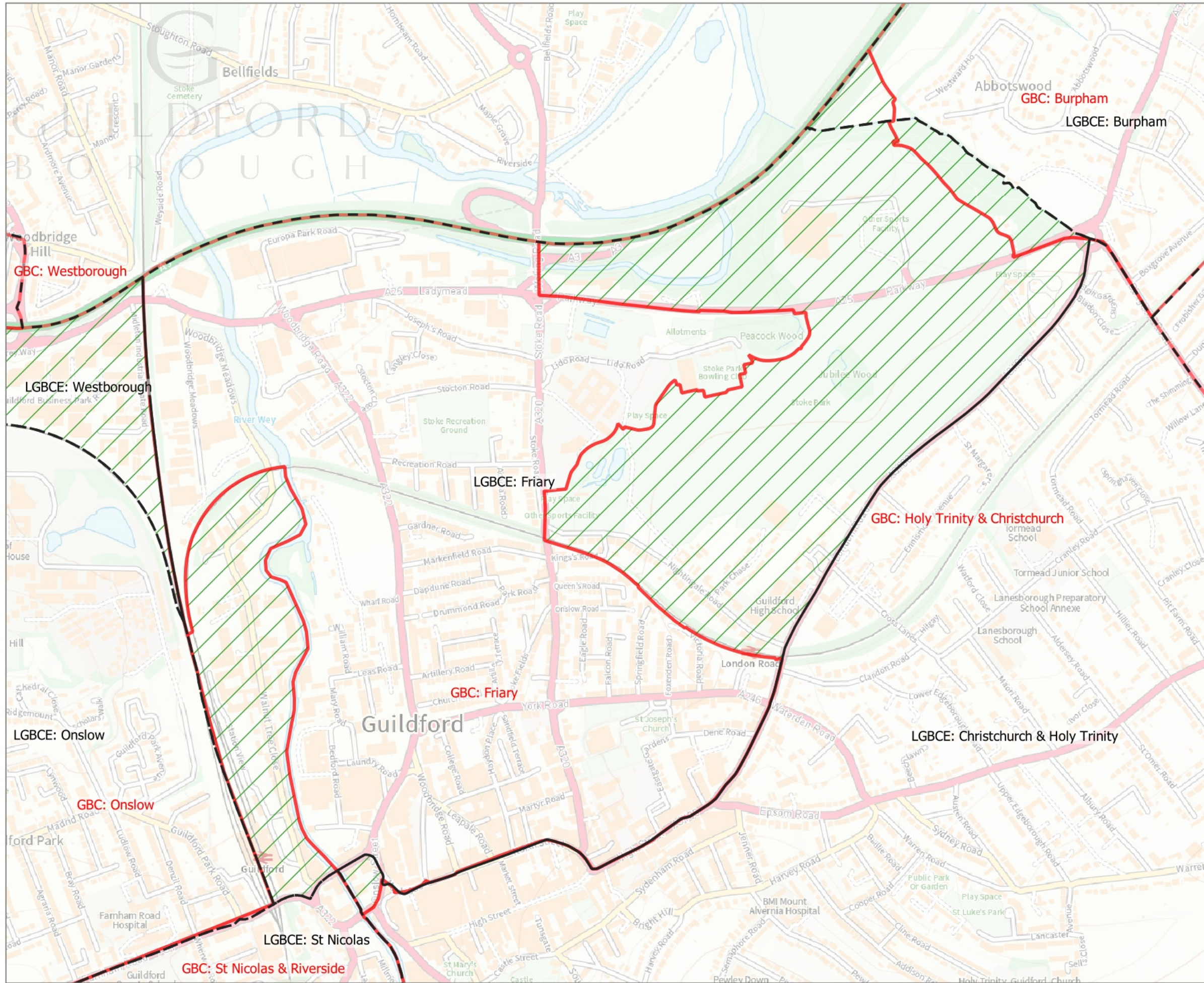
Publication Date: 2021-12-06

Scale at A3:
Diagrammatic

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Boundary Review 2021: Comparison of Proposed Warding Pattern of Friary Ward



Legend

- GBC Proposed Ward
- LGBCE Proposed Ward
- Area of difference between proposals

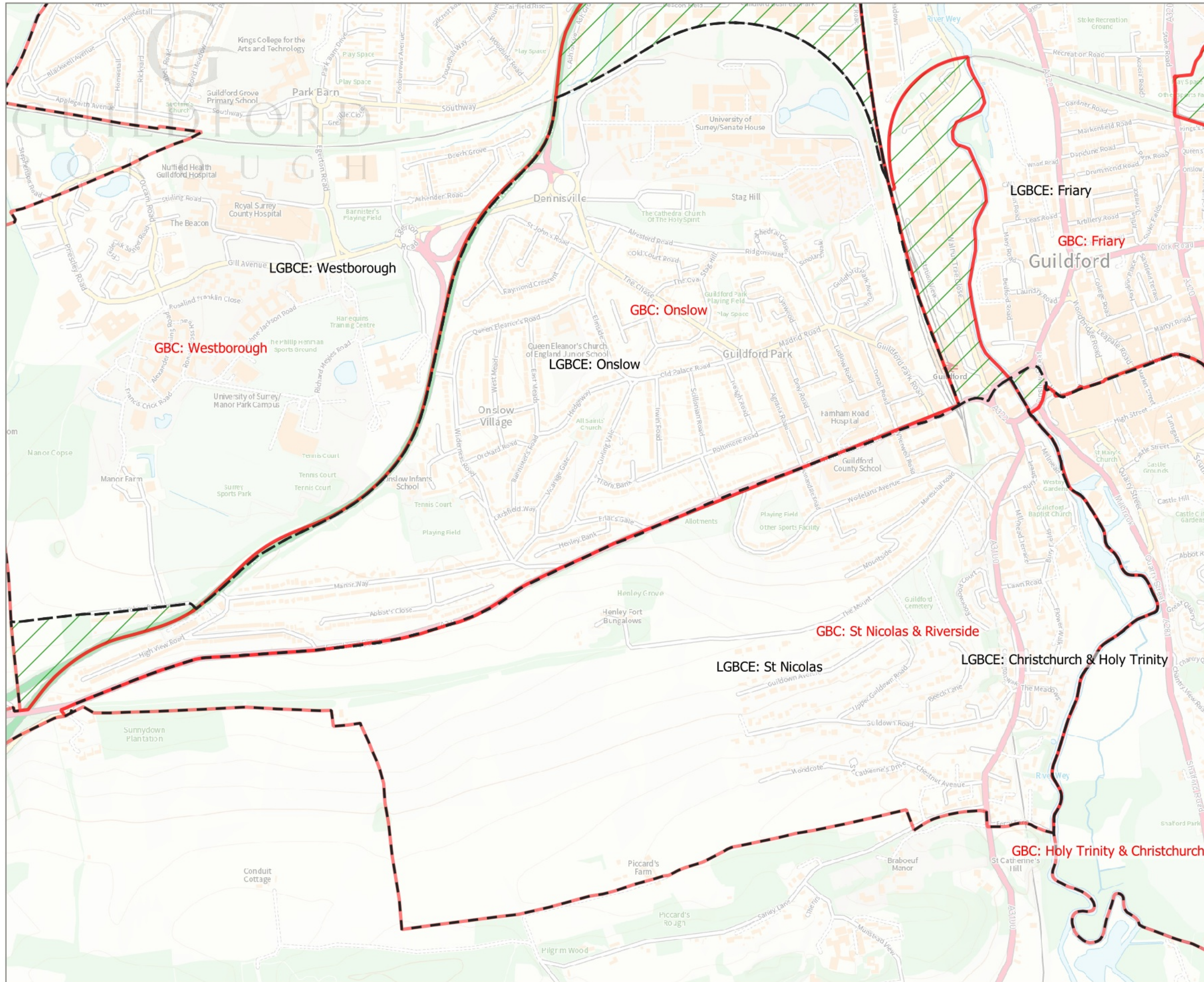
Publication Date: 2021-12-06

Scale at A3:
Diagrammatic

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Boundary Review 2021: Comparison of Proposed Warding Pattern of St Nicolas & Riverside Ward



Legend

- GBC Proposed Ward
- LGBCE Proposed Ward
- Area of difference between proposals

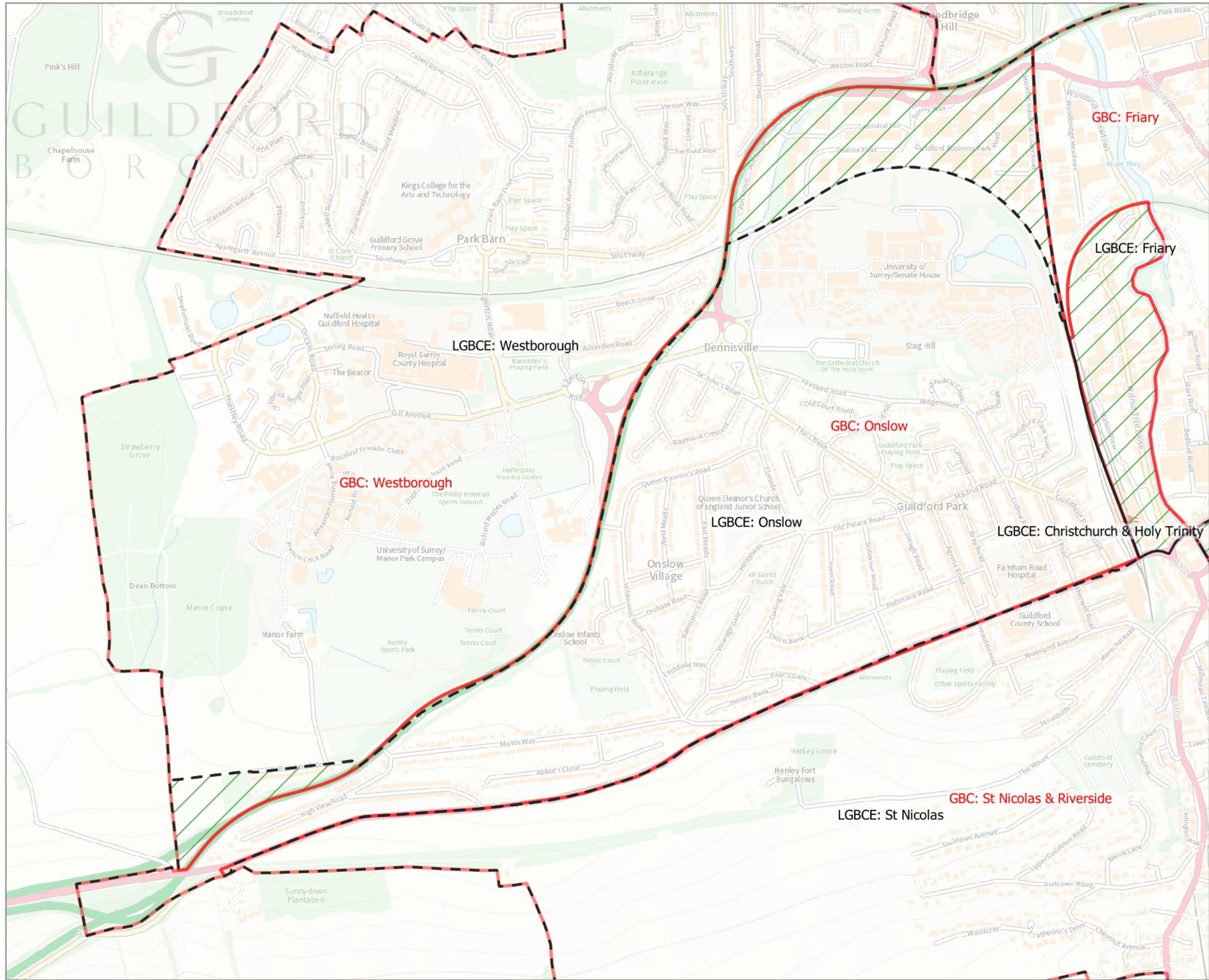
Publication Date: 2021-12-06

Scale at A3:
Diagrammatic

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Boundary Review 2021: Comparison of Proposed Warding Pattern of Onslow Ward




Legend

- GBC Proposed Ward
- LGBCE Proposed Ward
- Area of difference between proposals

Publication Date: 2021-12-06

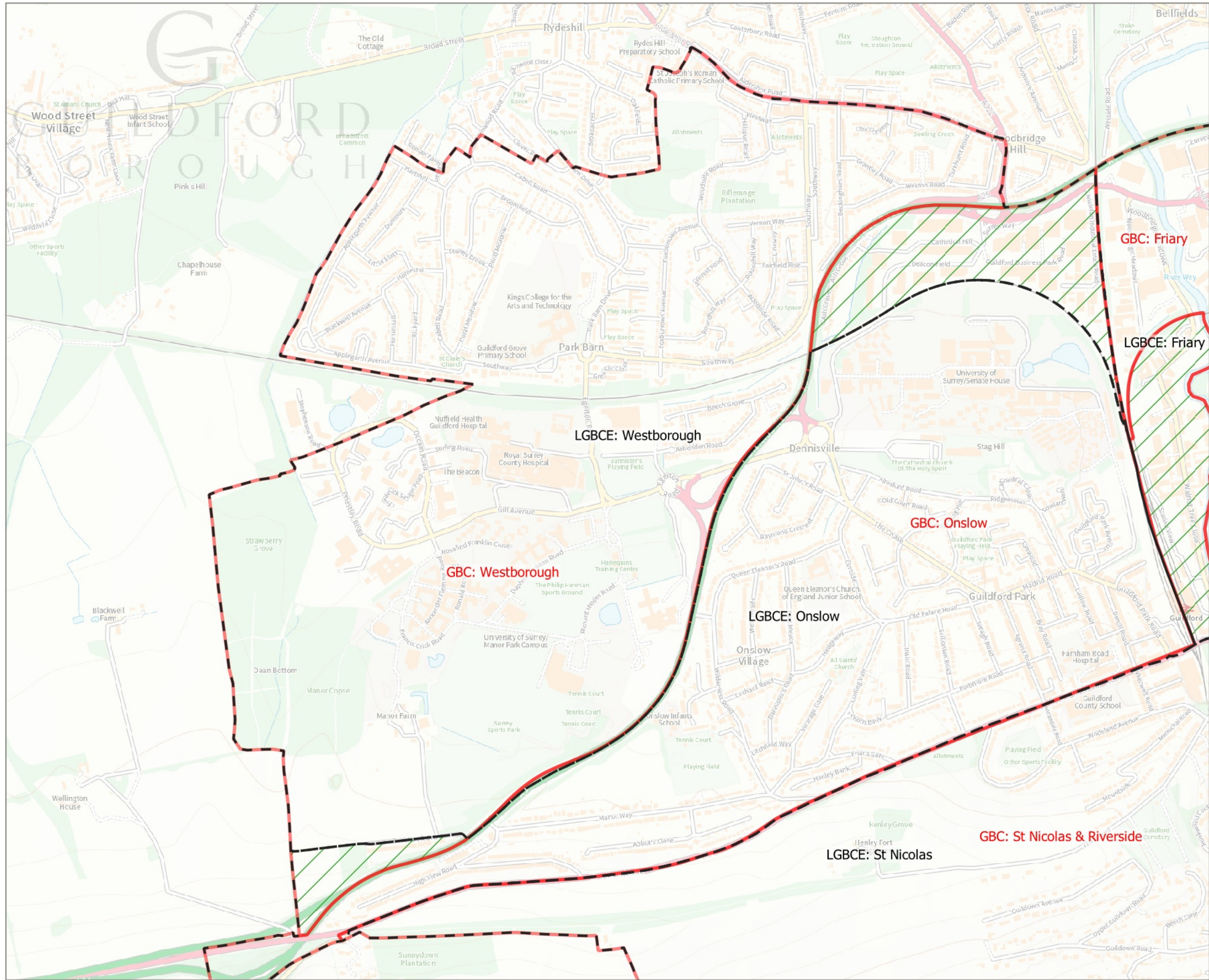
Scale at A3:
Diagrammatic

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GUILDFORD
BOROUGH

Boundary Review 2021: Comparison of Proposed Warding Pattern of Westborough Ward



Legend

- GBC Proposed Ward
- LGBC Proposed Ward
- Area of difference between proposals

Publication Date: 2021-12-06

Scale at A3:
Diagrammatic

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Council Report

Ward(s) affected: Clandon & Horsley

Report of Strategic Services Director

Author: John Armstrong, Democratic Services and Elections Manager

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Lead Councillor responsible: Joss Bigmore

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Email: joss.bigmore@guildford.gov.uk

Date: 9 February 2022

Community Governance Review: Parish of West Horsley

Executive Summary

A Community Governance Review (CGR) is undertaken by the principal council for the area (i.e. this Council) and is a review of the whole or part of the Borough to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of parishes and the style (i.e. whether to call it a town council or village council etc.) of new parishes;
- The electoral arrangements for parishes (including the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes

The legal framework within which principal councils must undertake these reviews is set out in the Local Government and Public Involvement in Health Act 2007 (as amended).

On 15 December 2021, West Horsley Parish Council submitted a written request (see **Appendix 1** to this report) for the Council to conduct a CGR, with the suggested terms of reference including the proposal to increase the maximum number of councillors to be elected to the West Horsley Parish Council from nine councillors to eleven councillors.

The Council has power under section 82 of the 2007 Act to undertake CGRs at any time.

Recommendation to Council:

The Council is asked to consider first whether it wishes to exercise its power under Section 82 of the 2007 Act and conduct a CGR of the parish of West Horsley, in accordance with the requirements of 2007 Act, and associated government guidance as described in this report.

If the Council is minded to conduct a CGR, councillors are asked to consider the following recommendations:

- (1) That the terms of reference in respect of the community governance review including the proposed timetable, as set out in **Appendix 2** to this report, be approved and published.
- (2) That the Democratic Services and Elections Manager be authorised to conduct the community governance review on the Council's behalf and to take all necessary action to comply with the Council's statutory obligations in that regard.

Reason for Recommendation:

To address the community governance request received in respect of this matter with a view to ensuring that community governance within the area under review is:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

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

1. Purpose of Report

- 1.1 Following a formal request from West Horsley Parish Council, this report sets out the requirements and procedure should the Council agree to undertake a community governance review in accordance with the Local Government and Public Involvement in Health Act 2007 (the 2007 Act) and associated government guidance.

2. Strategic Priorities

- 2.1 To undertake the review would be consistent with our mission and values within the new Corporate Plan to be a transparent Council that listens and responds quickly to the needs of our community, putting the interests of our community first, and working constructively with other councils.

3. Background

- 3.1 The 2007 Act amended the responsibility for parish area reviews from what is now the Local Government Boundary Commission for England (LGBCE) to principal councils, subject to adherence to regulations and directions issued by the former Department for Communities and Local Government (DCLG) and the Electoral Commission. Principal councils in this context include district councils in England. The process for considering a change is via a Community Governance Review (CGR).
- 3.2 A CGR is a review of one or more areas of the borough to look at one or more of the following:
- Creating, merging, altering or abolishing parishes;

- The naming of a parish and the style of a new parish (i.e. whether to call it a “village”, “community” or “neighbourhood” with the council similarly named as a “village council”, “community council” or “neighbourhood council”);
 - The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
 - Grouping parishes under a common parish council or de-grouping parishes
- 3.3 A CGR may not change parliamentary, borough ward or county division boundaries, although it might lead to recommendations to the LGBCE to make consequential changes to ward or division boundaries.
- 4. Community Governance Review Request**
- 4.1 On 15 December 2021, the Council received a formal request from West Horsley Parish Council for a CGR. A copy of the parish council’s written submission is attached as **Appendix 1** to this report.
- 4.2 In summary, the parish council is seeking to secure, by way of a CGR, an increase in the maximum number of councillors to be elected to the West Horsley Parish Council from nine councillors to eleven councillors.
- 4.3 The reasons cited by the parish council for making the request to increase the number of parish councillors, are as follows:
- To reduce the workload on individual councillors that has grown considerably over the past 24 months and is expected to continue.
 - To address the substantial increase in population as a result of windfall and major housing developments underway in the Village as a consequence of implementing GBC’s Local Plan.
 - To seek to improve diversity on the parish council.

Undertaking a Community Governance Review

- 4.4 If the Council is minded to agree to conduct a CGR, the procedure requires the Council:
- (a) to agree the terms of reference for the review including specifying the area under review
 - (b) to then publish and consult on the terms of reference with the local electorate and those with an interest
 - (c) taking into account representations received, to agree final recommendations and, if required, to make a community governance reorganisation order to give effect to agreed changes.
- 4.5 Suggested terms of reference for a CGR in this case are set out in **Appendix 2** for the Council’s consideration. In addition to the increase in the number of councillors to be elected to West Horsley Parish Council, the legislation also requires this Council to make recommendations on other related “electoral arrangements” for West Horsley Parish Council, as follows:
- (a) the year in which ordinary elections of councillors are to be held;

- (b) the division (or not) of the parish into wards for the purpose of electing councillors;
 - (c) the number and boundaries of any such wards;
 - (d) the number of councillors to be elected for any such ward;
 - (e) the name of any such ward.
- 4.6 It is suggested that the terms of reference should propose, at this stage, that other than the increase in the number of parish councillors to be elected to West Horsley Parish Council, no further changes be made to the electoral arrangements in respect of that parish council described in (a) to (e) in paragraph 4.5 above. Currently, West Horsley parish is not divided into wards.
- 4.7 Following the consultation, and taking into account the representations received, the Council must consider the following questions in relation to whether West Horsley Parish Council should, or should not, be divided into wards for the purpose of electing parish councillors:
- (a) whether the number, or distribution, of the local government electors for the parish would make a single election of councillors impracticable or inconvenient; and
 - (b) whether it is desirable that any area or areas of each parish should be separately represented on the parish councils.
- 4.8 West Horsley Parish Council has stated in its request for a CGR (**Appendix 1**) that it *“believes that all other electoral arrangements relating to the parish of West Horsley are satisfactory and therefore does not request any other changes to be made under the Community Governance Review process.”*
- 4.9 Section 93 of the 2007 Act allows principal councils to decide how to undertake a CGR, provided that they comply with a number of duties prescribed in the Act, as follows:
- (i) Before undertaking a CGR, the Council must notify Surrey County Council that a CGR is to be undertaken and its terms of reference.
 - (ii) In conducting a CGR, the Council must consult with the following:
 - the local government electors in the area under review (i.e. the parish of West Horsley),
 - West Horsley Parish Council
 - any other person or body which appears to have an interest in the review (e.g. local businesses, local residents’ associations, amenity groups, local public and voluntary organisations - such as schools or health bodies)
 - (iii) When undertaking a CGR, the Council must also:
 - have regard to the need to secure that community governance in the area under review:
 - (a) reflects the identities and interests of the community in that area, and

(b) is effective and convenient.

- take into account any representations received in connection with the review.

4.10 A CGR must also take into account a number of influential factors including:

- the impact of community governance arrangements on community cohesion; and
- the size, population and boundaries of a local community or parish.

4.11 It is anticipated that the consultation on the terms of reference of this CGR will involve:

- Publication of the terms of reference on both the Borough Council's website and West Horsley Parish Council's website
- Publicity for the CGR to be displayed in any parish magazine and on parish notice boards and in community venues within the parish
- Press releases
- Communication with local community groups

4.12 A suggested timetable for the conduct of the CGR is included within the draft terms of reference (see **Appendix 2**).

4.13 The Council is required to complete a CGR within a period of 12 months from the date it publishes the terms of reference.

5. Equality and Diversity Implications

5.1 The process to be followed in conducting the CGR is laid down in statute and guidance issued by the Government. Every attempt will be made to engage electors and interested parties in the CGR through the consultation process that will be led by officers.

6. Financial Implications

6.1 It is envisaged that the only costs to the Council will be in respect of officer time in conducting the CGR, which will be met from within existing budgets.

7. Legal Implications

7.1 The Council has power under Section 82 of the Local Government and Public Involvement in Health Act 2007 to conduct CGRs. A CGR must be conducted in accordance with the requirements set out in Chapter 3 of Part 4 of the Local Government and Public Involvement in Health Act 2007 (as amended) and guidance issued by the Secretary of State under Section 100(4) of the 2007 Act. These requirements are highlighted in section 4 of this report.

8. Human Resource Implications

8.1 The CGR will have to be conducted within existing staff resources in the Democratic Services team.

9. Options

- 9.1 There are two situations when the Council must conduct a CGR. The first is when a valid community governance petition has been submitted and the second is when the requestor is a Neighbourhood Forum. Otherwise, the Council may conduct a CGR at its discretion. In this case, West Horsley Parish Council is asking the Council to use its section 82 power.

10. Conclusion

- 10.1 This report is the first step towards carrying out a CGR. Should the Council agree to carry out a CGR, the terms of reference in **Appendix 2** will be published and a six-week period of public consultation will take place. It is anticipated that a formal report on the outcome of the consultation will be submitted to full Council in July 2022.
- 10.2 If, following the CGR, the Council decides to make a Community Governance Reorganisation Order in respect of the proposals, any increase in the number of parish councillors approved as part of this CGR would take effect from the next scheduled parish elections in May 2023.

11. Background Papers

["Guidance on Community Governance Reviews" – DCLG and Local Government Boundary Commission for England \(March 2010\)](#)

12. Appendices

Appendix 1: West Horsley Parish Council's written submission dated 15 December 2021 requesting a community governance review

Appendix 2: Proposed terms of reference of the community governance review of the West Horsley Parish Council

- Annex 1: A summary of the powers and duties of parish councils
- Annex 2: Map of the Parish of West Horsley (the area under review)



COMMUNITY GOVERNANCE REVIEW
Proposal for Additional Parish Councillors

Introduction

In accordance with the provisions of the Local Government and Public Involvement in Health Act 2007, West Horsley Parish Council (WHPC) wishes to submit this proposal to Guildford Borough Council (GBC) for consideration and approval.

The proposal is to increase the maximum number of councillors to be elected to the parish council of West Horsley from nine to eleven.

WHPC believes that all other electoral arrangements relating to the parish of West Horsley are satisfactory and therefore does not request any other changes to be made under the Community Governance Review process.

Background

WHPC has, for many years, been made up of 9 Councillors. In recent times, it has published a strategic vision and three year rolling business plan to ensure it is forward thinking and addressing the needs and expectations of its residents who contribute to the annual precept.

In addition to meeting all its statutory responsibilities and commitments, the Council has promoted a number of new initiatives that engage the local community and keep them informed. It has already approved the establishment of three Committees namely Planning & Environment, Finance and Staffing with its other work supported by task groups covering asset management & maintenance, road safety, communications and events & well-being. Earlier this year it established a Youth Council aimed at engaging teenagers in the life and democracy of the Village empowering their voice to be heard. It also created a Climate Change Task Group to respond to the demanding agenda set out nationally and by GBC.

As a result of WHPC becoming proactive and committed to stronger engagement with the community it serves, it finds that the existing number of councillors is becoming too stretched to deliver desired outcomes to a quality standard. Also, the substantial amount of new housing currently underway in the Village is expected to see a significant increase in the population mostly of working age people and their children and for whom adequate representation is essential.

Reasons for the Proposed Increase in Number

There are three main reasons for requesting an increase of two councillors. They are:

- To reduce the workload that has grown considerably over the past 24 months and is expected to continue;

- To address the substantial increase in population as a result of windfall and major housing developments underway in the Village as a consequence of implementing GBC's Local Plan; and
- To seek to improve diversity on the Parish Council.

This has come about as the Council strives to improve its overall performance in delivering responsive, timely and quality outcomes to meet its statutory requirements and the needs of its residents.

Justification for the Proposed Increase

WHPC would like to secure an increase of 2 councillors so that its maximum elected members rises from 9 to 11. At the same time, it wishes to improve diversity, achieve a more manageable spread of workload and have adequate representation as the population of the Village increases. The population at the time of submitting the Neighbourhood Plan in 2018 was understood to be 2828 in 1022 dwellings. The 2021 population census is not yet available but the Village has seen growth over past years; the local primary school is heavily oversubscribed.

GBC's Local Plan 2019 removed the Village from the Green Belt and identified 3 allocated sites for housing development in the first 5 years of the plan. In addition to these, a number of windfall sites have materialised and garden development is happening at some pace. The accumulative effect of this results in a 37% increase in the housing stock.

Workload on Parish Councillors

Parish Councillors are unpaid volunteers who give their time and energy towards helping the local community. The Council was advised to establish Committees which it agreed to do once a new Clerk and Deputy Clerk had been appointed. This has now happened and the Committees are about to commence; meanwhile councillors have worked tirelessly in a number of task groups several of which will continue as the Committees get underway. Task Groups meet, on average, meet every 4-6 weeks. There are different combinations of councillors on each group.

In addition to regular business, councillors have engaged in a series of one-off projects such as preparing a Neighbourhood Plan (a revision is due imminently), the Wisley Airfield Public Enquiry, organising a summer fete (next due in 2022), campaign to have superfast broadband installed, creation of a Youth Council and the preparation of a substantial bid for funds from "Your Fund Surrey". Involvement in determining appropriate projects for use of Section 106 monies arising from major developments has also been undertaken.

Increasing Population

As outlined earlier, the new housing stock in the Village will result in an increase in the population. Preliminary estimates in advance of the census indicating updated figures on 2011 suggests 880 representing almost a third increase in the Village population. Adequate representation therefore needs to be recognised and provided.

Increasing Diversity

Of the present 9 councillors, 2 are in full time employment, 5 are female, 3 are male and we have 1 vacancy recently vacated by a male of Asian heritage; only three are below 60 years of age. WHPC believes that whilst the current mix is beginning to address the age, gender and ethnicity mix of the Village an increase in councillors may help it achieve more broadly a reflection of the community it serves.

Guidance

The Department of Communities and Local Government's guidance indicates that for villages of West Horsley's size, parish councils typically have 9 to 16 parish councillors. An increase from 9 to 11 councillors would therefore bring West Horsley towards the mid-point of this indicative range.

A comparison with other nearby parish councils is also illustrative and lends justification to the proposal. West Horsley Parish Council has a population of 66% the size of East Horsley Parish Council which now has approval for 12 councillors from its original 9.

Conclusion

WHPC believes that increasing the number of parish councillors from nine to eleven is fully justified and therefore respectfully requests GBC approve this under the terms of the Community Governance Review. It recognises that if the approval is granted it would be effective in the May 2023 elections.

West Horsley Parish Council
99 The Street
West Horsley
Surrey
KT24 6DD

Date: 15th December 2021

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**GUILDFORD BOROUGH COUNCIL
COMMUNITY GOVERNANCE REVIEW 2022
PARISH OF WEST HORSLEY
TERMS OF REFERENCE**

What is a Community Governance Review?

A Community Governance Review is a review of the whole or part of the Borough to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a “village”, “community” or “neighbourhood” with the council similarly named as a “village council”, “community council” or “neighbourhood council”);
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The Borough Council is required to ensure that community governance within the area under review will be:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

In doing so, the Community Governance Review is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

The government has emphasised that recommendations made in Community Governance Reviews ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

What do parish councils do?

By way of information, a summary of the general powers and duties of parish councils is attached as **Annex 1**.

Why are we carrying out this Community Governance Review?

We have received a request from West Horsley Parish Council for a community governance review to increase the number of parish councillors to be elected to the Parish Council from nine to eleven.

The area under review is the area of the borough of Guildford comprising the parish of West Horsley (see map at **Annex 2**).

The parish of West Horsley is located within the Clandon and Horsley ward of Guildford Borough Council. It is also located within the Horsleys Division of Surrey County Council and forms part of the Mole Valley Parliamentary Constituency.

What are we consulting on?

We are consulting the public on the request from West Horsley Parish Council, which is:

To increase the number of parish councillors elected to West Horsley Parish Council from nine (9) to eleven (11).

If approved, the change will come into effect on the date of the next scheduled parish council elections in May 2023.

Why has this request been made?

The Parish Council's justification for the increase in the number of parish councillors is set out below:

- (a) to reduce the workload on individual parish councillors that has grown considerably over the past 24 months and is expected to continue;*
- (b) to address the substantial increase in population as a result of windfall and major housing developments underway in the Village as a consequence of implementing Guildford Borough Council's Local Plan; and*
- (c) to seek to improve diversity on the parish council.*

For the purposes of this review, we are also required by law to make recommendations on other related "electoral arrangements" in respect of West Horsley Parish Council, as follows:

- (1) the year in which ordinary elections of parish councillors are to be held;***
- (2) the division (or not) of the parish into wards for the purpose of electing parish councillors;***
- (3) the number and boundaries of any such wards;***
- (4) the number of parish councillors to be elected for any such ward;***
- (5) the name of any such ward.***

In relation to (1) above, Guildford Borough Council proposes that no change be made to the year of ordinary elections, as they currently coincide with borough council elections and elections to other parish councils in the borough.

In relation to (2) to (5) above, the introduction of 'wards' would mean that each parish councillor would be elected by voters living within a particular area (or ward) within the parish, and they would represent those voters on the parish council. The Borough Council proposes that, irrespective of the outcome of this community governance review, West Horsley parish should continue to be unwarded, i.e. no change be made. West Horsley Parish Council supports this proposal.

We would therefore like to know what YOU think of the proposals:

- (a) to increase the number of parish councillors on West Horsley Parish Council from 9 to 11, and*
- (b) to make no other changes to the electoral arrangements in respect of West Horsley Parish Council*

Electorate Forecast

At the time Guildford Borough Council considered the request to carry out this community governance review, the Local Government electorate for the parish of West Horsley was 2,241.

For the purpose of this review, we are required to forecast the expected growth in the electorate for the parish of West Horsley for the next five years from the beginning of this review.

There are currently outstanding planning permissions (permitted but not completed, including those commenced) for 68 homes in the parish of West Horsley. The Local Plan/Land Availability Assessment provides for 258 homes within 5 years, making a total of 326. On the basis of the average number of electors per dwelling being 1.7, it is anticipated that the increase in the number of homes in the parish will result in an additional 554 electors.

How to let us know your views

Any representations on this matter above must be in writing and should be sent to:

John Armstrong
Democratic Services and Elections Manager
Guildford Borough Council
Millmead House
Millmead
GUILDFORD
Surrey GU2 4BB

by no later than 5pm on Monday 11 April 2022.

Alternatively, you may send your representations either:

- by email to: committeeservices@guildford.gov.uk; or
- via our online facility: www.guildford.gov.uk/comgovrev

Please ensure that you state your name and address clearly on any representations submitted. Please note that any submissions received after 11 April 2022, or any representations submitted anonymously, will not be taken into account.

Please also note that the consultation stages of a Community Governance Review are public consultations. We will not publish your personal information; however, in the interests of openness and transparency, the Council will make available for public inspection full copies of all representations it takes into account as part of this review.

Agenda item number: 14

Appendix 2

All personal information submitted to us during the course of this consultation will be destroyed once the matter has been determined by the Council.

What happens next?

In arriving at its final recommendations, the Council will take account of the views of local people and any other person or body who appears to have an interest in the Review by judging them against the criteria set out in the Local Government and Public Involvement in Health Act 2007 and associated government guidance.

The Borough Council will take steps to notify consultees of the outcome of the review by publishing all decisions taken, together with reasons, on the Council's website (and ask West Horsley Parish Council to publish the same on their website), through general press releases, and by placing key documents on public deposit at Guildford Borough Council's offices and at the office of West Horsley Parish Council.

If any change to the electoral arrangements for West Horsley Parish Council is approved, a Community Governance Reorganisation Order will be made to give effect to the change.

A timetable for the Community Governance Review

A Community Governance Review must, by law, be concluded within a 12-month period from the day on which the Borough Council publishes the terms of reference and ending on the day on which the Council publishes its final recommendations. The proposed timetable for this Community Governance Review is set out below:

9 February 2022	Terms of Reference and Timetable for Review approved by Guildford Borough Council.
28 February 2022	Guildford Borough Council to publish approved Terms of Reference. Six-week consultation period begins with local people and interested parties.
11 April 2022 (5pm)	Closing date for consultation period.
26 July 2022	Guildford Borough Council to consider consultation submissions and publish final recommendations.
4 May 2023	Any change in electoral arrangements comes into effect for the purposes of parish council elections

Date of Publication of Terms of Reference:

28 February 2022

Powers and Duties of Parish Councils

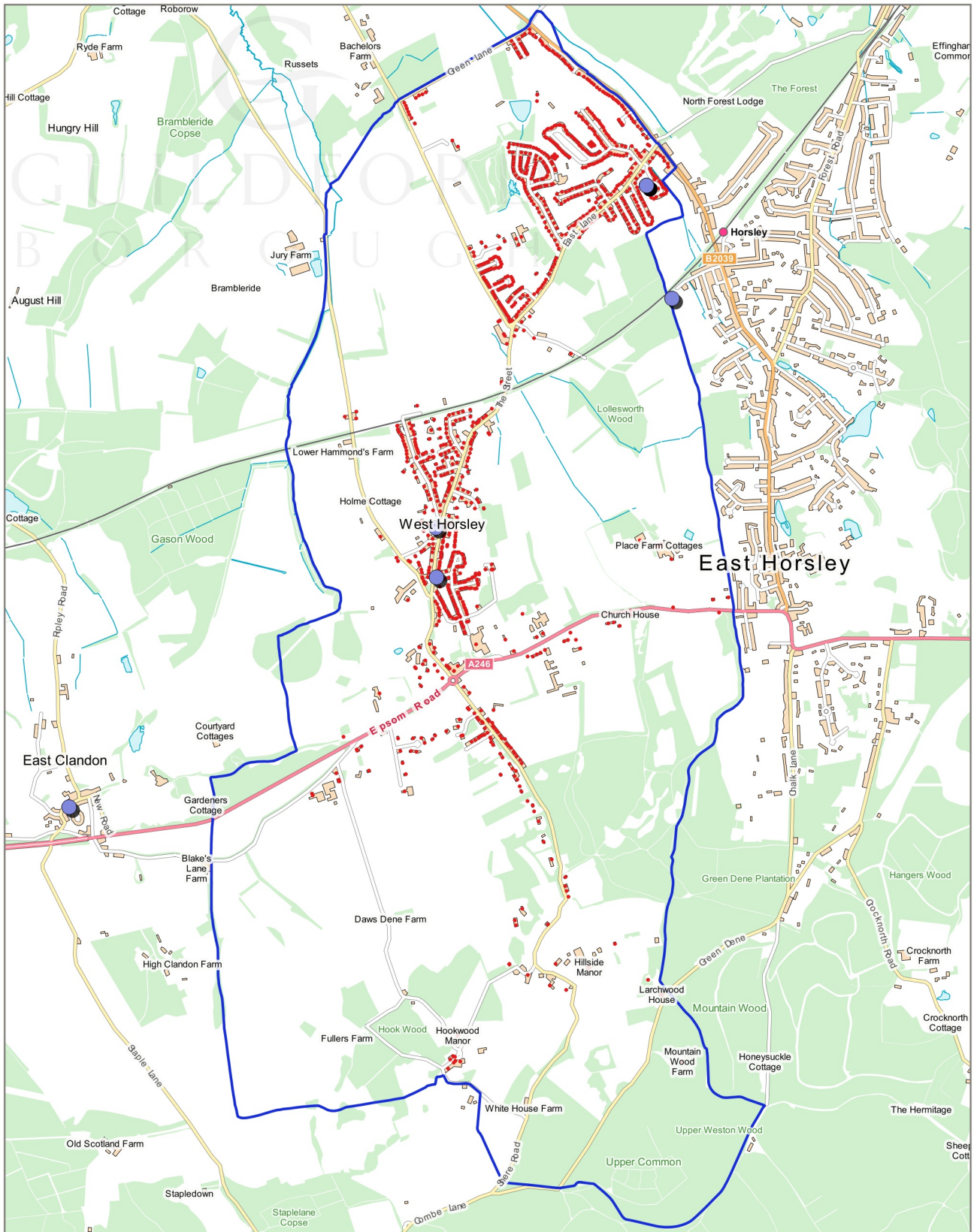
The role played by parish councils varies considerably. Smaller parish councils have only limited resources and generally play only a minor role, while some larger parish councils have a role similar to that of a small district council. Parish councils receive funding by levying a "precept" on the council tax paid by the residents of the parish.

The list below is intended as a summary of the main functions of parish councils. It is not intended to be a definitive list of such functions. Where a function is marked with an asterisk a parish council also has the power to give financial assistance to another person or body performing the same function.




Functions	Powers And Duties
Allotments	Powers to provide allotments Duty to provide allotment gardens if demand unsatisfied
Bus Shelters and roadside seats	Power to provide and maintain
Bye Laws	Power to make byelaws for public walks and pleasure grounds
Clocks*	Power to provide public clocks
Closed Churchyards	Powers (and sometimes duty) as to maintain
Commons Land and Common Pastures	Powers in relation to enclosure as to regulation and management and as to providing common pasture
Community Centres and Village Halls	<ul style="list-style-type: none"> • Power to provide and equip premises for use of clubs having athletic, social or educational objectives • Power to provide buildings for offices and for public meetings and assemblies
Conference facilities*	Power to provide and encourage the use of facilities
Crime Prevention*	Powers to spend money on various crime prevention measures including
Drainage	Power to deal with ponds/ditches
Education	Right to appoint governors of primary schools
Entertainment and the Arts*	Provision of entertainment and support of the arts
Environment	Power to act for the benefit of the community by tackling and promoting awareness of environmental issues
Flagpoles	Power to erect flagpoles in highways
Highways	<ul style="list-style-type: none"> • Power to repair and maintain footpaths and bridleways • Power to provide lighting of roads and public places • Power to provide parking places for vehicles, bicycles and motorcycles • Power to enter into an agreement as to dedication and widening • Power to provide traffic signs and other notices • Power to plant trees, etc., and to maintain roadside verges • Power to prosecute for unlawful ploughing of a footpath or bridleway • Power to contribute financially to traffic calming schemes
Investments	Power to participate in schemes of collective investment
Land	<ul style="list-style-type: none"> • Power to acquire land by agreement or compulsory

Functions	Powers And Duties
	purchase, <ul style="list-style-type: none"> • Power to appropriate land • Power to dispose of land • Power to accept gifts of land • Power to obtain particulars of persons interested in land
Litter bins	Power to provide litter bins including receptacles for dog faeces
Lotteries	Power to promote lotteries
Monuments and Memorials	Power to agree to maintain monuments and memorials
Mortuaries and post-mortem rooms	Powers to provide mortuaries and post-mortem rooms
Nature Reserves	Power to designate statutory to the nature reserves and marine nature reserves - English Nature can designate sites of specific scientific interest
Nuisances	Power to deal with offensive ditches, ponds and gutters
Open Spaces, Burial Grounds, Cemeteries and crematoria*	Power to acquire, maintain or contribute towards expenses
Parish Property and Records	<ul style="list-style-type: none"> • Powers to direct as to their custody • Power to collect, exhibit and purchase local records
Parks and pleasure grounds	Power to hire pleasure boats in parks and pleasure grounds
Parochial charities	<ul style="list-style-type: none"> • Power to appoint trustees of parochial charities • Duty to receive accounts of parochial charities
Planning	Right to be notified of and power to respond to planning applications
Postal and telecommunications facilities	Power to pay the Post Office, British Telecommunications or any other public telecommunications operator any loss sustained in providing post or telegraph office or telecommunications facilities
Public Conveniences	Power to provide public conveniences
Raising of Finances	Power to raise money through the parish precept
Recreation*	<ul style="list-style-type: none"> • Power to acquire land for or to provide recreation grounds, public walks, pleasure grounds, and open spaces and to manage and control them. • Power to provide gymnasiums, playing fields, holiday camps
Swimming pools, bathing places, baths and washhouses	Power to provide
Tourism*	Power to contribute to the encouragement of tourism
Town Status	Power to adopt town status
Transport*	Power to (a) establish car sharing schemes (b) make grants for bus services, (c) provide taxi-fare concessions; (d) investigate public transport, road use and needs; (e) provide information about public transport services Community Transport Schemes
Village greens	Power to maintain, to make bylaws for and to prosecute for interference with village greens
Water Supply	Power to utilise well, spring or stream and to provide facilities for obtaining water therefrom.

West Horsley Parish



Legend

-  Public, Village, or Community Hall
-  Residential property
-  Parish boundary

Publication Date: 2018-06-14



Scale at A4:
1:28.000

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GUILDFORD
BOROUGH

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Council 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: 9 February 2022

Draft Timetable of Council and Committee Meetings for 2022-23

Recommendation to Council:

That Council 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 Council's consideration.

3.2 Having consulted with the Leader and Deputy Leader of the Council, political group leaders, and with Waverley Borough Council, it is proposed 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's Executive and Waverley's 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, Licensing Sub-Committee, and Licensing Regulatory Sub-Committee should meet during the pre-election period.
- 3.6 At its meeting on 25 January 2022, the Executive considered this report and endorsed the recommendation.

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	
Council	Tuesday 7:00 p.m.	11+ 16\$		26			11		6		8 £ 22(r)		P	10+ 15\$	
Executive	Thursday 7:00 p.m.	26	23	21	25	22	27	24		5 26	23	16	P		
Strategy and Resources EAB	Monday 7:00 p.m.		13		8		10		5		6		P		
Service Delivery EAB	Thursday 7:00 p.m.	19		7		8		3		12		9	P		
Joint EAB	7:00pm						10 (Th)			9 (M)			P		
Overview & Scrutiny Committee	Tuesday 7:00 p.m.		7	12		13		8		17	28		P		
Planning Committee	Wednesday 7:00 p.m.	18	15	13	10	7	5	2 30		4	1	1 29	26		
Licensing Committee	Wednesday 7:00 p.m.	25		20		28		23		18		14 (T)	P		
Corporate Governance and Standards Committee	Thursday 7:00 p.m.		16	28		29		17		19		15 (W)	P		
Guildford Joint Committee (for information)	Wednesday 7:00 p.m.		29				26						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

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Council Report

Ward(s) affected: n/a

Report of the Director of Resources

Author: Claire Morris

Tel: 01483 444827

Email: Claire.morris@guildford.gov.uk

Date: 9 February 2022

Designation of Monitoring Officer

Executive summary

Councillors will be aware that Diane Owens, the Council's Monitoring Officer will be leaving the Council on 28 February 2022.

Consequently, it will be necessary to designate an officer as the Monitoring Officer. In accordance with Officer Employment Procedure Rule 4 (a), the formal designation of the Monitoring Officer is undertaken by full Council on the recommendation of the Employment Committee.

The Committee is scheduled to meet to consider this matter on Tuesday 8 February 2022. The Committee's comments and recommendations will be reported on the Order Paper.

The Council is invited to consider this matter and adopt the recommendation below.

Recommendation (to Council: 9 February 2022)

That Stephen Rix (Interim Lead Specialist – Legal) be designated as the Monitoring Officer for the Council with effect from 1 March 2022.

Reason for Recommendation:

To comply with the requirements of the Local Government and Housing Act 1989 (as amended).

Is this report (or part of it) exempt from publication? Yes (Appendix 1)

- (a) The content of Appendix 1 contains personal information relating to an individual and is therefore exempt by virtue of paragraph 1 of Part 1 of the Schedule 12A to the Local Government Act 1972.
- (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 Committee is invited to pass a resolution to exclude the public from the meeting to consider the exempt information.

1. Purpose of Report

- 1.1 To ask the Council to agree that an officer of the Council be designated as the officer responsible for performing the duties imposed by Section 5 of the Local Government and Housing Act 1989 (as amended), that is, the Monitoring Officer.

2. Background

- 2.1 Under Section 5 of the Local Government and Housing Act 1989 (as amended) (“the 1989 Act”), the Council has a duty to designate one of its officers as Monitoring Officer.
- 2.2 The Monitoring Officer has a number of statutory duties and responsibilities relating to the Council’s Constitution and our arrangements for effective governance. These duties include maintaining the Constitution, ensuring that no decision or omission of the Council is likely to give rise to unlawfulness or maladministration and promoting high standards of conduct. A full list of the Monitoring Officer’s responsibilities and delegated powers is included within the Council’s Constitution (see Part 2 (Article13.3)).

3. Designation of Monitoring Officer

- 3.1 A local authority has general flexibility to appoint whatever officers it thinks fit. Despite this general flexibility, there are a number of statutory exceptions.
- 3.2 The 1989 Act (Section 5) provides that the Council must designate one of its officers to be the Monitoring Officer to check on the correctness and propriety of the authority’s decisions. The Monitoring officer may not also be the Head of Paid Service or the Council’s Chief Finance Officer. The Monitoring Officer has power, under Sections 5 and 5A of the 1989 Act, to nominate deputies.
- 3.3 Diane Owens, the Council’s Lead Specialist – Legal and Monitoring Officer has resigned from the Council to take up a new role and will be leaving the Council’s service on 28 February 2022.
- 3.4 Under the Council’s staffing structure, the post of Lead Legal Specialist is the post which Officers deem most appropriate to be designated as the Council’s Monitoring Officer as the role is the Council’s most senior legal officer and solicitor. Whilst there is no specific requirement for the most senior solicitor or legal officer of any Council to be the Monitoring Officer it is common practice for the monitoring officer to be a fully qualified solicitor given that part of the role of the monitoring officer is to ensure the Council’s compliance with laws and regulations. The monitoring officer has three main duties:
- 1) To report on matters he or she believes are, or are likely to be, illegal or amount to maladministration
 - 2) To be responsible for matters relating to the conduct of councillors and officers; and
 - 3) To be responsible for the operation of the Council’s constitution
- 3.5 The role of Lead Specialist - Legal requires the post holder to be a qualified solicitor with significant post qualification experience and experience of working in a public sector environment. The Lead Specialist - Legal is the ‘head of profession’ for legal services at the Council. Whilst it is common for the Monitoring Officer to be a Council’s most senior solicitor, it is not an absolute requirement. At Guildford Borough Council in the past, the role has normally been held by the Council’s most senior legal officer with the exception of the period of time, between September 2011 and December 2014 when the then, Head of Corporate Development, Martyn Brake, held the role of Acting Monitoring Officer. Practice at other councils has found that other roles sometimes designated as Monitoring Officer can be roles such as Director of Corporate Services, Director of Governance & Democratic Services (where the role is at Director Level then tends to sit with the Director responsible for Legal Services and often Democratic Services as well), or Head of Democratic & Elections Services. The Council does not have a Director of Corporate Services or Director of Governance & Democratic

Services. The Director currently responsible for legal services is the Director of Resources, who is the Council's Section 151 Officer and therefore cannot legally hold both statutory roles.

- 3.6 In accordance with Officer Employment Procedure Rule 4 (a), the formal designation of the Monitoring Officer is undertaken by full Council on the recommendation of the Employment Committee. The Committee is due to meet to consider this matter on Tuesday 8 February 2022.
- 3.7 Following Diane Owens' resignation, an external recruitment process has been undertaken with the help and support of an employment agency. In July 2021, the Council decided to share a senior management team, including statutory officers with Waverley Borough Council. Following the appointment of the Joint Chief Executive, a restructure to create a Joint Senior Management has begun; however, the work is at too early a stage to provide an immediate solution for the recruitment of a new Monitoring Officer for Guildford. As such it is not deemed an appropriate time to recruit a permanent Lead Specialist – Legal and Monitoring Officer. An external recruitment process for an interim officer for a period of 6 to 8 months has therefore been undertaken. The recruitment process included the employment agency undertaking an initial selection process of candidates against the role specification. This was followed by a small number of candidates being presented to the Director of Resources and Lead Specialist – Legal for selection for interview and an interview process taking place. Finally, a follow-up interview was undertaken by members of the Council's Employment Committee. This process has been completed and Stephen Rix has been appointed as the Interim Lead Specialist – Legal. Mr Rix is a qualified solicitor with many years' experience in local government at different councils as well as previous experience as a monitoring officer. Mr Rix's CV is shown in the "Not for Publication" Appendix 1.
- 3.8 Under Section 5 (7) of the 1989 Act, the duties of the Monitoring Officer may, whenever he or she is unable to act owing to absence or illness, be performed by a nominated deputy or deputies. Claire Beesley and Delwyn Jones have been nominated as Deputy Monitoring Officers by the Monitoring Officer and will continue in their roles.

4. Financial Implications

- 4.1 The Monitoring Officer and Deputy Monitoring Officer are paid honoraria of £5,300 and £1,500 per annum respectively, which are met from existing budgets.

5. Legal Implications

- 5.1 These are set out in the report.

6. Human Resource Implications

- 6.1 There are no further human resource implications.

7. Background Papers

None

8. Appendices

Appendix 1: CV: Stephen Rix (Confidential)

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EXECUTIVE

23 November 2021

- * Councillor Joss Bigmore (Chairman)
- * Councillor Julia McShane (Vice-Chairman)

- | | |
|---------------------------|--------------------------|
| Councillor Tim Anderson | * Councillor John Rigg |
| Councillor Tom Hunt | * Councillor James Steel |
| * Councillor John Redpath | |

*Present

Councillors Ramsey Nagaty, Paul Spooner, Fiona White and Catherine Young were also in attendance.

EX38 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Tim Anderson and Tom Hunt.

EX39 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no declarations of interest.

EX40 MINUTES

The minutes of the meeting held on 26 October 2021 were confirmed as a correct record. The Chairman signed the minutes.

EX41 LEADER'S ANNOUNCEMENTS

The Leader congratulated all of those who had contributed to the recent Remembrance events. A service had been held to add the name of Lieutenant Nicholas London to the war memorial, a gathering with a minute's silence had been held on Armistice Day, 11 November and a full Remembrance Day Parade and Service on Sunday 14 November.

'Zero-Carbon Guildford' opened in the town centre on 20 November and was well attended with local members. Located at the bottom of North Street, 'Zero' was a climate emergency centre where local people could learn about eliminating waste, reduce emissions and protect the natural environment. The Leader urged everyone to make a visit to 'Zero'.

On Thursday 25 November Guildford would join in solidarity with others around the world in support of eliminating violence towards women. Tunsgate and the Guildhall would be floodlit in orange to send a message that violence towards women would not be tolerated. The Mayor, Councillor Marsha Moseley and the Deputy Leader, Councillor Julia McShane would be in attendance at the event. It was noted that the Safer Guildford Partnership had contributed funding in support of the South West Surrey Domestic Abuse Outreach Service and contact details were available on the Council's website.

The Leader was pleased to inform councillors about forthcoming Christmas pantomimes and many other celebratory performances, including 'Dick Whittington' at the Yvonne Arnaud Theatre, various festive musical and comedy events at the Electric Theatre including 'A Christmas hug' performed by the People's Theatre and written by Councillor Steven Lee.

EX42 LOCAL COUNCIL TAX SUPPORT SCHEME 2022-23

Local Council Tax Support (LCTS), otherwise known as Council Tax Reduction (CTR), helped around 4,500 households with low incomes in the borough to pay their Council Tax, by providing £5.8 million of support. The cost of providing the support was shared with Surrey County Council, with Guildford's share being about 10%. The Council was under a statutory duty to annually review its LCTS scheme, was obliged to consult with interested parties and to approve a scheme for the 2022-23 financial year by 31 January 2022, to enable annual bills to be calculated correctly.

The Executive considered a report setting out the proposals for the next financial year arising from the latest annual review. The report was introduced by the Leader of the Council in the absence of the Lead Councillor for Resources.

In 2021-22, the Council had agreed some small changes to the scheme to account for inflationary pressures. By increasing Personal Allowances, Premiums and Non-Dependant Deductions. The cap on Band E entitlement for 2021-22 was removed to provide additional help during the pandemic. The discretionary hardship fund was increased for 2021-22 in anticipation of an increase in unemployment levels and calls for help.

For 2022-23, it was once again proposed to increase Personal Allowances and Premiums which was forecast would have a revenue cost of £2,500. The discretionary hardship fund would be reset at £40,000 for the coming year as the economic outlook had improved.

The stakeholder consultation had been undertaken between 24 September and 13 October 2021. Surrey County Council and Surrey Police and Crime Commissioner were in agreement with the proposals and just one other response had been received. Whilst this was disappointing the submission was also supportive.

Councillors considered the complexities of LCTS at the Strategy and Resources EAB on 14 June 2021. The Board would like the recalculation linked to Universal Credit to be looked at. This was a complex matter and would be considered as part of the longer Future Options review.

The Leader commended officers for the quality of the report.

The Executive

RESOLVED: To recommend to Council at its meeting on 7 December 2021:

- (1) That the current Local Council Tax Support Scheme (which is on our website), be amended for 2022-23 as set out in detail in Appendix 1 to the report submitted to the Executive, with effect from 1 April 2022.
- (2) That the Council maintains a discretionary hardship fund of £40,000 in 2022-23, and carries forward any residual 2020 and 2021 COVID19 Council Tax Hardship Funds.

Reasons:

1. To ensure that the Council complies with government legislation to implement a LCTS scheme from 1 April 2022.
2. To maintain a discretionary fund to help applicants suffering from severe financial hardship.

EX43 LOCAL PLAN DEVELOPMENT MANAGEMENT POLICIES

The Executive considered a report concerning the second part of Guildford's draft Local Plan. If adopted, the Development Management Policies (DMP) would, together with the adopted Local Plan: Strategy and Sites document (LPSS), supersede the existing Local Plan 2003 and become part of the Council's Development Plan. The report provided the more detailed policies to be used by Development Management in the determination of planning applications.

The Leader of the Council introduced the report and noted that although there had been much detailed debate about the draft Local Plan policies, it was important to remember that the primary function of development management was to secure good development management for the future of the borough. The report set out a wide range of policies on environmental, heritage, design and more detailed infrastructure matters. The intention of the draft policies was to test planning applications and to deliver to exacting, sustainable and attractive standards. The draft policies would set the standard expected from development and also provide a reason to refuse planning applications should those standards not be met. The draft policies had been drawn up in line with the National Planning Policy Framework (NPPF) and other national standards, but were specific to Guildford.

The report had been considered by the Joint EAB on 20 September 2021 and the recommendations of the Board were set out in Appendix 8. Councillor Ruth Brothwell had chaired the meeting of the Board and submitted some additional written comments that were read to the meeting by the Democratic Services and Elections Manager. The Board had proposed some 71 amendments to 26 policies and a small group of cross-party councillors had met to prioritise those which were of greatest concern. Officers had thereafter made some amendments to the report that was presented to the Executive. The Joint EAB was eager that Regulation 19 was carried forward and the final DMP for Guildford published to enable a proper review of the Local Plan and to continue with all the right emphases. The Joint EAB had commended the DMP to the Executive for submission to Council.

The Leader acknowledged the amount of work undertaken through interaction between officers, councillors and the public to reach the current point in the process. Following the Regulation 18 consultation there had been 16 two-hour meetings of the cross-party Local Plan Panel, other numerous councillor sessions and an additional period of time to fully review the recommendations of the Joint EAB. Although there had not always been consensus between everyone throughout the process, the Leader thanked all of those who had participated in the discussions.

In coordination with the Council's new Corporate Plan the policies would protect the environment strengthening the standards for new buildings in terms of carbon reduction commitments and requiring net gains in biodiversity of 20% which was greater than that set by Central Government. There would be new policies relating to parking, encouraging low-car or no-car developments areas well-served by public transport in order to increase air quality and encourage greater use of sustainable modes of travel. The Council would also enable the development of low-carbon or renewable energy sites to support the transition to cleaner energy sources.

Policies would support discounted house opportunities for first-time buyers or, if that were not possible then to require developers to allocate a greater percentage of the development as affordable. In addition, there were twenty new design policies to ensure new development held respect for its location and protect local character and heritage assets. There would also be protection for open spaces, public houses and community facilities.

If approved by the Executive, the report and the DMP would be presented to Full Council on 7 December for approval to proceed to the Regulation 19 Consultation stage.

Agenda item number: 17

There was a further recommendation to consult on the Parking Supplementary Planning Document at the same time as the Development Management Policies so as to add support to Policy ID11 and for future flexibility.

The Leader would undertake further discussion with Planning Policy officers with regard to the application of design codes on non-strategic development sites. Reference was made to the development on The Street in West Horsley as an example where three separate developers had been involved which had fragmented the approach to the site.

The Leader reflected that developers might find the policies onerous whilst environmentalists may suggest the Council had not gone far enough, but was content to commend the DMP report to the Executive as being thorough and evidence-based. Consequently, the Executive

RESOLVED: To recommend to Council at its meeting on 7 December 2021:

- (1) That the draft Local Plan: Development Management Policies document, subject to further investigation as to the merits of extending the requirement for design codes to all housing sites allocated in the Development Plan, be put before Full Council for approval for Regulation 19 public consultation and to approve a six-week period of consultation beginning in early January 2022.
- (2) That the draft Parking Supplementary Planning Document be put before Full Council for approval for public consultation for a four-week period beginning in January 2022.
- (3) That the Lead Councillor with portfolio responsibility for Planning Policy be authorised, in consultation with the Director of Strategic Services, to make such minor alterations to improve the clarity of the documents referred to in paragraphs (1) and (2) above, as they may deem necessary.

Reasons:

The recommendations above are made to encourage the Council to:

- (1) Enable the draft Local Plan: Development Management Policies document to be published for public consultation.
- (2) Allow officers to undertake public consultation in line with the Town and Country Planning (Local Planning) (England) Regulations 2012, the Planning and Compulsory Purchase Act 2004, the National Planning Policy Framework 2021, Planning Policy for Traveller Sites 2015, the National Planning Practice Guidance, and the Council's Statement of Community Involvement 2020.
- (3) Undertaking a public consultation on the draft Local Plan is a statutory requirement placed on Local Planning Authorities under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 ('Local Planning Regulations') and will enable the Council to move closer to adopting the second part of the Local Plan as required by law and policy.

EX44 REVIEW OF THE LOCAL DEVELOPMENT SCHEME

The report submitted to the Executive sought agreement for an updated Local Development Scheme (LDS) for the new Local Plan: Development Management Policies. The LDS set the timetable for plan production and opportunities for stakeholders to be involved in the process. The timetable at Appendix 1 to the report set out the timetable in respect of the process up to the adoption of the new Local Plan in early 2023.

The Executive,

RESOLVED: That the Local Development Scheme, as set out in Appendix 1 to the report submitted to the Executive, shall have effect from 1 December 2021.

Reason:

To progress the new Guildford Borough Local Plan: Development Management Policies by having a Local Development Scheme with an up-to-date timetable for the Local Plan.

EX45 FINANCIAL MONITORING 2021-22

The Executive considered a report that summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April 2021 to September 2021.

The report had been reviewed by the Corporate Governance and Standards Committee on 18 November 2021 and the comments arising were set out on the Supplementary Information Sheet.

In the absence of the Lead Councillor for Resources, the Leader of the Council introduced the report.

The meeting heard that the Covid pandemic continued to have a negative effect on the Council's finances and that steps would need to be taken to mitigate those effects and maintain a sound financial position. The general fund summary was set out in Appendix 1 of the report predicting a gross overspend of £2.6m. There was a positive effect coming from a reduction in minimum revenue provision, lower interest rates on the loans portfolio and receipts from North Downs Housing resulting in a net projected overspend of £1.76m. The main cause of the overspend was the reduction in car parking revenues estimated to be in the region of £3.7m which had been offset to some extent by Government's fees and charges reclaim scheme. However, the scheme had closed in June 2021 and there was no indication it would be resumed. There was a reduction in the value of the leisure management contract of £800,000. The direct Covid expenditure of £300,000 had been offset by Government for the full year. Finally, there was a £500,000 overspend in Planning which was partially due to staff expenditure to clear a backlog and also to provide cover for senior staff illness. On a positive note, the pre-application service would now be able to resume in the New Year and return services to normal functioning levels.

The report had set out ways in which the Council could prevent further impacts on reserves. There would be a capital return fund investment of £1.5m and the original investment would be reinvested in a suitable way. This would be a one-off opportunity to mitigate budget shortfall whilst the mid-term position remained the same with an additional £1.5m required to balance the budget for 2022-23.

The Leader reflected that with the fast-changing Covid scenario the Council should remain prudent and advised the Executive to agree the recommendations set out in the report. The Executive, consequently,

RESOLVED:

- (1) That the results of the Council's financial monitoring for the period April 2021 to September 2021, be noted.
- (2) That the actions set out in paragraph 4.3 of the report submitted to the Executive to achieve in-year savings to help reduce the overspend and mitigate the impact on reserves, be approved.
- (3) That the implementation of a "voluntary expenditure freeze" across services, be approved.

Reason:

To enable the Executive to respond to the scrutiny of the Council's finances.

EX46 GENERAL FUND DRAFT BUDGET 2022-23 AND MEDIUM TERM PLAN 2022-23 TO 2025-26

The report before the Executive outlined the position of the 2022-23 draft general fund budget and the business planning assumptions for 2022-23 to 2025-26. The final budget position would be submitted to Full Council on 9 February 2022. The Savings Strategy for 2022-23 to 2025-26, which the Executive had approved on 22 June 2021, had set out the assumptions used in calculating the budget gap and therefore the quantity of savings required over the medium term. The core assumptions underpinning the draft budget had been reviewed and the revised assumptions were set out in the report.

In the absence of the Lead Councillor for Resources, the Leader of the Council introduced the report. The Joint Executive Advisory Board had considered the outline budget report at its meeting on 11 November 2021 and a summary of their comments were set out on the Supplementary Information Sheet.

The Leader highlighted the overview table in the executive summary of the report and described the inflationary underlying assumptions in the report as optimistic, pay as a result of inflation was realistic and any increase in fees and charge as under-ambitious. It was noted the assumptions for Council Tax income was accurate as Council Tax charges were constrained at below a 2% increase unless the Council called a referendum. The report included the best assumptions about the level of government funding that would be available. Anticipated rental income rises were modest. The Bank of England forecast was that inflation would fall in the coming year. The meeting heard that a 1% rise in inflation would mean a loss of £300,000 to the Council. Based on the assumptions in the report it was currently estimated there would be a budget shortfall for the forthcoming year of £1.7m and a cumulative shortfall of £5m up to 2026 but with a variance in the budget gap for the longer-term period of between minus £3m to minus £11m.

Because it was still early in the budget process, the report was clear that there were areas of uncertainty that would influence the final position.

Until the local government finance settlement was announced it was uncertain if the Government would proceed with recompensing local authorities for the planned rise in National Insurance contributions as had been stated. The cost of the increase would amount to a figure in the region of £300,000 and had been included in the assumptions until the offset was confirmed.

The report and the work of finance officers was commended and the Executive,

RESOLVED:

- (1) That the budget assumptions used in the preparation of the 2022-23 draft budget and three year forward projections be approved.
- (2) That the current position on the draft budget for 2022-23 and the budget shortfall anticipated over the three years to 2024-25, be noted.
- (3) That the savings identified as part of the savings strategy for 2022-23 through to 2025-26 (Sections 11,12,13 of, and Appendix 3 to, the report submitted to the Executive) which have been included in the draft budget, be approved.

- (4) That the in-year savings of £46,750 arising from the review of classical music, book festival, voluntary and CAB grants for 2021-22, which were not included as part of the 2021-22 budget, be approved.
- (5) That the additional growth items identified in section 11 and Appendix 3 which have been included in the draft budget, be approved.
- (6) That the proposal to Council to make the contributions to/from the Council's various earmarked reserves for specific purposes as set out in section 9 of the report as part of the budget report in February 2022, be approved.

Reason:

To assist the Executive in the preparation of the General Fund estimates for 2022-23.

EX47 PARISH COUNCILS - CONCURRENT FUNCTIONS GRANT AID APPLICATIONS FOR ASSISTANCE 2022-23

The Council's concurrent functions grant aid scheme provided financial assistance to parish councils. Concurrent functions were services which both the Borough Council and the parish councils were empowered to undertake. The grants took the form of grant funding up to a maximum of 50% and that percentage decreased for projects costed at over £10,000. The grant budget was £90,000. Parishes were asked to complete a detailed application form and written estimate for each project and identify how the project meets at least one of the fundamental themes within the Council's corporate plan.

The Executive considered a report setting out details of the 33 requests received from 17 of the 23 parish councils in the borough, which totalled £97,828. One bid had subsequently been retracted. The bids brought forward for approval therefore totalled £97,109, which was £7,109 over the base budget of £90,000. The Executive was requested to agree that the remaining balance be met from the Parish Council Urgent Schemes Reserves to achieve a balanced budget.

As a part of the Council's Savings Strategy, the Executive had been asked to consider reducing the scheme budget to £60,000 for 2022-23. The Leader suggested that this recommendation be referred to an Executive Advisory Board (EAB) for review before the Executive made a final decision on the matter. Following discussion, it was proposed that the EAB review should also include the scheme's award criteria.

Having considered the report and the applications, the Executive

RESOLVED:

- (1) That the Concurrent Functions Grant Aid budget for 2022-23 be set at £90,000, subject to final confirmation by the Council at its budget meeting in February 2022.
- (2) That consideration of future years' budgets for Concurrent Functions Grant Aid, from 2023-24, be referred to an EAB for further discussion together with a review of the award criteria, following the Director of Resources' recommendation to reduce it to £60,000 p.a.
- (3) That the parish council requests for grant aid for 2022-23, as set out in Appendix 3 to the report submitted to the Executive, be approved.
- (4) That the remaining balance of £7,109 be met from the Parish Council Urgent Schemes Reserve.

Agenda item number: 17

Reasons:

- (1) To assist parish councils with expenditure on concurrent function schemes in 2022-23.
- (2) To enable parish councils to take account of financial assistance from Guildford Borough Council when calculating their precept requirements for 2022-23.

EX48 SELECTION OF THE MAYOR AND THE DEPUTY MAYOR 2022-23

At its meeting on 7 December 2021, the Council would be asked to consider nominations for the Mayorality and Deputy Mayorality of the Borough for the municipal year 2022-23.

The constitutional changes adopted by the Council in April 2014 as part of the review of the Civic Function in respect of the Mayorality provided that the Council would normally elect the Deputy Mayor appointed at the annual meeting of the Council as Mayor at the next succeeding annual meeting. The Council was therefore requested to consider formally the nomination of the current Deputy Mayor, Councillor Dennis Booth for the Mayorality of the Borough for 2022-23.

Following an invitation to Group leaders to submit nominations for the Deputy Mayorality for 2022-23, the Executive noted that the only nominee had been Councillor Masuk Miah.

The Executive therefore

RESOLVED: To recommend to Council on 7 December 2021:

- (1) That the Deputy Mayor, Councillor Dennis Booth be nominated for the Mayorality of the Borough for the 2022-23 municipal year.
- (2) That Councillor Masuk Miah be nominated for the Deputy Mayorality of the Borough for the 2022-23 municipal year.

Reason:

To make early preparations for the selection of the Mayor and Deputy Mayor for the 2022-23 municipal year.

The meeting finished at 7.57 pm

Signed

Chairman

Date

EXECUTIVE

4 January 2022

- * Councillor Joss Bigmore (Chairman)
- * Councillor Julia McShane (Vice-Chairman)

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

*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.

Agenda item number: 17

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

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