



Contact Officer:

John Armstrong, Democratic Services &  
Elections Manager

18 January 2023

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 26 JANUARY 2023** at 7.00 pm.

Yours faithfully

Tom Horwood  
Joint Chief Executive  
Guildford & Waverley  
Borough Councils

**MEMBERS OF THE EXECUTIVE**

Chairman:

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

Vice-Chairman:

Councillor Joss Bigmore (Deputy Leader of the Council and Lead Councillor for  
Finance and Planning Policy)

Councillor Tim Anderson, (Lead Councillor for Assets and Property)

Councillor Tom Hunt, (Lead Councillor for Planning Development, Legal and  
Democratic Services)

Councillor George Potter, (Lead Councillor for Climate Change and  
Organisational Development)

Councillor John Redpath, (Lead Councillor for Customer and Commercial  
Services)

Councillor John Rigg, (Lead Councillor for Regeneration)

Councillor James Steel, (Lead Councillor for Environment and Regulatory  
Services)

## **WEBCASTING NOTICE**

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

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

## **QUORUM 3**

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

### **Our Vision:**

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

### **Our Mission:**

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

### **Our Values:**

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

### **Our strategic priorities:**

#### Homes and Jobs

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

#### Environment

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

#### Community

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

## AGENDA

### ITEM NO.

**1 APOLOGIES FOR ABSENCE**

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

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

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

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

**3 MINUTES (Pages 7 - 12)**

To confirm the minutes of the meeting of the Executive held on 5 January 2023.

**4 LEADER'S ANNOUNCEMENTS**

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

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

**7 HOUSING REVENUE ACCOUNT BUDGET 2023-24 (Pages 101 - 120)**

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

Key Decisions:

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

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, whenever the Executive

intends to take a key decision, a document setting out prescribed information about the key decision including:

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

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 31 December 2022.

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## Executive

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

\* Councillor Tim Anderson \*  
\* Councillor Tom Hunt \*  
Councillor George Potter

\* Councillor John Redpath \*  
\* Councillor John Rigg \*  
\* Councillor James Steel \*

\*Present

Councillor Fiona White was also in remote attendance.

### **EX65 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Joss Bigmore and George Potter.

### **EX66 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST**

There were no declarations of interest.

### **EX67 MINUTES**

The minutes of the meetings held on 24 November 2022 and 12 December 2022 were confirmed as a correct record. The Chairman signed the minutes.

### **EX68 LEADER'S ANNOUNCEMENTS**

The Leader of the Council had nothing further to add to those announcements made at the extraordinary meeting of the Council on Tuesday 3 January 2023.

### **EX69 TO CONSIDER ANY RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

The intention of the report was to collate and track progress of all recommendations made by the Overview and Scrutiny Committee to the Executive throughout the year, and to log the Executive decisions on the submitted matters.

The Executive noted the report and that there had been no updates since the previous meeting.

### **EX70 INFRASTRUCTURE FUNDING STATEMENT 2021-22**

The Infrastructure Funding Statement (IFS) was a factual report which summarised the amount of developer contributions that had been secured, received and spent in the reported year. Regulation 121A of The Community Infrastructure Levy Regulations 2010, as amended, required any authority receiving contributions through the Community Infrastructure Levy (CIL) and / or through planning obligations to produce

an annual Infrastructure Funding Statement to be provided to the Department for Levelling Up, Housing and Communities and to be posted on the Council's website.

The Executive would have preferred to see such funding utilised in a timelier manner, but ultimately many aspects in that regard was beyond its control.

The Executive,

RESOLVED:

1. That the Infrastructure Funding Statement 2021-22 be approved.
2. That authority to approve future Infrastructure Funding Statements be delegated to the Joint Executive Head of Planning Development.

Reason:

To ensure that the Council complies with the CIL Regulations to produce and publish an annual Infrastructure Funding Statement.

**EX71 SEND HILL DISUSED SANDPIT - SUPPLEMENTARY ESTIMATE - STAGE 2 (INVASIVE) CONTAMINATION SURVEY**

The land west of Winds Ridge, Send Hill, known as Send Hill Disused Sandpit, was a former landfill site. The asset had been transferred to the Council in the 1980s and was currently used as amenity land for the purposes of public recreation. It was allocated in the Local Plan as a site for housing development. If the site were to be developed, it was anticipated that a significant amount of remediation work may need to be undertaken. To inform the Executive's decision on whether to dispose of the asset it was proposed that a supplementary estimate of £25,000 be approved to pay for a Stage 2 (invasive) contamination survey.

With the knowledge gained from the results of the survey, the Council could obtain a more informed residual land valuation with which to advertise the sale of land on the open market and thereby obtain best consideration with risks and opportunities being made explicit. The risks and potential gains from both options were set out in the report.

The Executive considered there was a duty of care upon the Council to fully understand the nature of the deposits on the site. In addition, the estimate for the work acquired through the tendering process was competitive.

Consequently, the Executive,

RESOLVED:

That a supplementary estimate of £25,000 be approved from the Budget Pressures Reserve, for the purpose of commissioning a Stage 2 (invasive) contamination land survey at the Send Hill Disused Sandpit.

Reasons:



1. To inform a more accurate valuation of the land and generate a more detailed picture of the types of waste present.
2. The land may be heavily contaminated and does not support service delivery.

## **EX72 WEYSIDE URBAN VILLAGE FINANCIAL REVIEW**

Weyside Urban Village was a major 41-hectare brownfield regeneration scheme that the Council anticipated would bring significant benefits to Guildford including approximately 1,500 homes across including 600 affordable homes, 2,000 square metres of community space and 6,500 square metres of employment space.

During the last three years the Council had committed significant funding to progress the site assembly and infrastructure construction to enable the development of the WUV site. It was intended that the funding would be fully recovered from the sale of ten land plots to housing developers and secured grant funding from Homes England and Enterprise M3 LEP. Over 44% of the site was currently in Council ownership, and 100% would be achieved on completion of land transfers with Thames Water Utilities Ltd. The Council had additionally secured £52.3m in grant funding from Homes England and signed a Grant Determination Agreement with Homes England to draw down the grant expenditure associated with the implementation of the infrastructure works, which was in progress. In October 2021, the Planning Committee issued a Resolution to Grant for the hybrid planning application for Weyside, with the decision notice to approve the application issued in March 2022.

It was agreed with the Executive that the project team would report the financial position to the Executive on an annual basis. The Executive considered a report that set out the financial forecast to the end of the programme, as well as proposed mitigation to address the potential financial deficit that has arisen because of macro-level factors.

The Executive heard that the broader economic landscape and its impact on the construction industry over the past 12 – 18 months had been profound. At the end of 2021, the Building Cost Information Service (BCIS) – which provided cost and price data for the UK construction industry - reported that the annual growth in its material cost index had reached a forty year high. Since then, pressures on supply chains had persisted and labour shortages had become more acute. Although the lifting of Covid restrictions had led to a return to high activity levels, the war in Ukraine and high rates of inflation had put the construction industry in further turmoil. The impact of these issues was being felt at a local level, with forecast construction and financing costs also increasing significantly.

The Executive noted that the report was thorough and transparent and that such detailed reporting would support sound decision making now and in the future. Officers should continue to provide a range of mitigating options for the Council going forward. The Lead Councillor for Regeneration confirmed that all councillors, not only Executive members, would be kept informed as the situation evolved. Consequently, the Executive,

### **RESOLVED:**

- (1) To note the current forecasted eventual deficit in 2033 (year 10 of the project delivery programme), as set out in exempt Appendix 1 to the report submitted to the Executive, and resulting General Fund revenue implications, noting that this is

based on a number of variables outlined within Section 4 of the report (Financial Implications).

- (2) To recommend that Full Council (at its extraordinary meeting on 16 January 2023) approves the continuation of the project until officers have completed the required due diligence described in recommendations (3) and (4) below and report back to Full Council in July 2023.
- (3) To request officers to provide alternative risk assessed option appraisals other than to proceed with the original Full Council approved scheme, including all possible mitigations and alterations to the current funding and specifications, indicating by use of a range of values where specific data is not available, and a full explanation of assumptions with reasons, sufficient to enable Members to make a fully informed decision on how it wishes to proceed at Full Council in July 2023.
- (4) To request officers to update the project with the latest assumptions, indices and valuations and report back to the July 2023 Full Council.
- (5) To approve the transfer of £72.062m from the provisional capital programme to the approved capital programme for payments which the Council is obliged to make to TWUL under the TW Agreement for 2022/23 and 2023/24, for costs necessary to meet the milestones set within the Homes England HIF agreement and design cost necessary to prepare the planning application for the SCC Waste Transfer Centre and construction of the New Council Depot.
- (6) To delegate to the Strategic Director of Place, in consultation with the Lead Councillor for Regeneration, and Lead Councillor for Finance and Planning Policy, authority to enter into such other contracts and legal agreements connected with the WUV as may be necessary in compliance with Procurement Procedure Rules and within the approved budget.

#### Reasons:

The projected deficit, and significantly wide variation and uncertainty of the outcome of this project, renders the project as no longer compliant with the Full Council approval to break even at zero cost to the Council, i.e. the project has greater or equal value to the receipts received. At this point Officers do not have Full Council authority to incur any further expenditure until councillors have considered their full options and implications. However, temporarily stopping expenditure is not realistic due to contractual commitments.

The recommendations would:

- Ensure that there is sufficient understanding of the projected financial forecast of the programme.
- Ensure that there is sufficient funding in the approved programme to cover the phase 1 & 2 infrastructure costs, SCC Waste Transfer Centre design cost, construction of the new Council Depot and the payments which the Council is obliged to make to TWUL under the Thames Water Agreement for 2022/23 and 2023/24.

- Ensure that statutory service agreements and construction agreements can be entered into for the delivery of services and infrastructure for the development and to ensure that Homes England Housing Infrastructure Fund (HIF) milestones are achieved.
- Support the delivery of the Council’s Corporate Plan (2021-2025) priorities, by supporting high quality development of a strategic site, creating employment opportunities through regeneration and facilitating housing that people can afford.

The meeting finished at 7.24 pm

Signed

Date

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Chairman

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## Recommendations to the Executive from the Overview and Scrutiny Committee

### Document Purpose

The intention of this document is to collate and track progress of all recommendations made by the Overview and Scrutiny Committee to the Executive throughout the year, and to log the Executive decisions on the submitted matters. The Executive’s agreed response to the recommendations will be fed back to the Overview and Scrutiny Committee, and relevant officers.

### Explanatory note:

**Progress Status:** This column indicates individual progress status for each recommendation and will present one of three options:

- Awaiting Executive Consideration
- Accepted or Approved by the Executive
- Rejected by the Executive

**Suggested Response to Recommendation and Reasons:** This column indicates what action, if any, the Executive proposes to take or may already have been taken in response to the recommendation and the reasons) for the action, or no action.

### Approved Recommendations:

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
2 March 2021 Reference OS63	Guildford Crematorium Redevelopment	That the Executive be requested to ensure that:	22 March 2022	Executive approved suggested response.	The Future Guildford Programme implemented the Council’s transformation plan.	Abi Lewis/ Directors

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
	Post Project Review	<p>1.Council projects are accurately scoped and well-defined at the outset and any extension of scope is assessed carefully.</p> <p>2.Council projects go beyond legal minimum standards and aspire to be the best possible.</p> <p>3.Senior officers be held accountable for ensuring that resources in place for projects are adequate.</p>			<p>As part of Phase A of the Programme, a new Project and Performance Management (PPM) Governance team was established in 2020 which has undertaken extensive work to implement a new PPM Governance Framework to improve the delivery of all GBC projects and programmes to achieve the strategic objectives set out in the Corporate and Local Plans. Now an Enterprise Portfolio Structure has been defined, work is underway to rationalise boards and clarify decision-making.</p> <p>The following specific processes implemented help to ensure the right project controls are in place from the outset:</p> <ul style="list-style-type: none"> <li>• A start-up process to control the number of projects initiated</li> <li>• A mandate being developed for each project for consideration by service leaders and Councillors helping to develop a common understanding of</li> </ul>	

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
					<p>objectives and anticipated outcomes of projects.</p> <ul style="list-style-type: none"> <li>• The Business Case, developed from the Strategic, through the Outline Business Case and confirmed at Full Business Case is a clear statement of scope and baselines and a robust rationale for proceeding with the project.</li> <li>• Progress through the stages is controlled by gates, these are managed by the Corporate Governance Team.</li> </ul> <p>The project mandate will provide a broad definition of a project’s objectives, scope, constraints, benefits, risks and costs – which are further defined in the development of the business case. Aspirations to exceed minimum standards tends to come at the cost of time and money. The business case should recommend the option that provides best social value or best value for money and responds to any statutory requirements.</p>	

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
					<p>The new PPM Governance Framework provides the opportunity for officers across the organisation to review project mandates and business cases, and to consider the potential impact of the proposals on their service area. This includes consideration of whether the project is achievable within the existing resources (financial and staffing) and whether mitigation is required to deliver the preferred option successfully. This might include highlighting a need to recruit to fill a specialist skillset that is necessary for the project and the required budget to enable this. The internal project governance structures ensure officers provide regular updates on the status of projects and provide the opportunity for risks and issues to be escalated to senior decision makers as necessary. An Enterprise Portfolio Board is being considered to ensure that resource constraints are understood across all GBC service areas before a project is initiated.</p>	



O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
9 November 2021 reference OS46	Guildford Crematorium Air Quality Audit	<p>That the following recommendations within section 3 of the SLR audit at Appendix 1 of the report submitted to the O&amp;S Committee be endorsed:</p> <ul style="list-style-type: none"> <li>• That measures or procedures are reviewed and where necessary improved, to allow Regulatory Services to satisfy themselves that work undertaken on their behalf has been undertaken in a comprehensive and technically robust manner, such as:</li> <li>• requiring evidence of the audit procedure, and documented audit trail; and</li> </ul>	22 March 2022	Executive approved suggested response.	<p>GBC's current Standard Selection Questionnaire (SSQ) - used at the outset of a procurement process to determine compliance of a potential supplier with any mandatory requirements - does not request confirmation of statutory or regulatory certification.</p> <p>However, the subsequent technical evaluation process is tailored according to the specifics of the project and the scope of services being procured. Where appropriate, confirmation and evidence of accreditation will be requested and evaluated. If works are procured via a framework e.g. construction works, the contractors are subject to significant scrutiny and vetting before being accepted onto the framework. If a project is particularly complex or technical, the Council will need to consider what specialist resource is needed to support the drafting of technical evaluation criteria</p>	Abi Lewis/ Directors

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
		<ul style="list-style-type: none"> <li>requiring contractors to have a quality assurance system certified to a recognised standard (e.g., ISO 9001).</li> </ul>			<p>and the evaluation of tender responses. This would be established at the mandate stage.</p> <p>The Corporate Procurement Board acts as a gateway for projects that are above a certain financial threshold, or constitute high risk or sensitivity, providing further scrutiny over the most appropriate route to engage a supplier.</p> <p>The new project management and governance toolset, Verto, has the functionality to capture decisions made to ensure that there is an audit trail throughout the project lifecycle.</p>	
9 November 2021 reference OS47	Update on Project & Programme Management Governance	<ul style="list-style-type: none"> <li>That the Executive be requested to ensure that in relation to the closure and evaluation stages of Council projects the author of both the lessons learned report</li> </ul>	22 March 2022	Executive approved suggested response.	The Council's implemented PPM Governance Framework outlines the project lifecycle and approval gates that projects will ensure all lifecycle stages are undertaken for all projects, including closure, evaluation and lessons learned.	Abi Lewis/ Directors

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
		<p>and the post-project evaluation be someone unconnected to the project.</p> <ul style="list-style-type: none"> <li>• That further training and information on the Council's project and programme management be organised for Councillors.</li> </ul>			<p>Going forward the governance team can provide independent review at project closure stage and report to the Enterprise Portfolio Board if that is established.</p> <p>A series of formal training sessions explaining the reasons for mandates and business cases was delivered in November 2020 to introduce the new PPM governance arrangements. Follow up sessions relating to improving their understanding of programme and project governance in order to streamline governance and improve reporting were held for Councillors in December 2021. These sessions outlined the work done on the development of the governance structure and provided a demonstration of the reporting deck that is presented at Major Projects Portfolio Board. Ongoing training is being provided to induct new</p>	

O&S Meeting Date /O&S Minute No.	O&S Agenda Item	O&S Recommendation	Considered by Executive on	Progress Status	Suggested Response to Recommendation and Reasons	Key Officer responsible for the item
					Councillors and keep all Councillors up to date with developments.	

Executive Report

Ward(s) affected: All

Report of s151 officer

Author: Vicky Worsfold, Lead Specialist Finance

Tel: 01483 444834

Email: Victoria.worsfold@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 26 January 2023

## **Capital and Investment Strategy 2023-24 – 2027-28**

### **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 & contributions, reserves and finally borrowing. When preparing the budget reports, we do not always 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 the 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 £286 million between 2022-23 to 2027-28.

Officers have put forward bids, with a net cost over the same period of £10 million, increasing this underlying need to borrow to £296 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. 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:

- £274 million Weyside Urban Village (WUV)
- £62 million strategic property purchases
- £32 million North Downs Housing (NDH)
- £28 million Ash Road bridge and footbridge

Appendix 2 contains a summary of the new bids submitted. Appendices 3 to 9 show the position and profiling of the current programme (2022-23 to 2027-28)

Upon reviewing the current capital programme, it has been identified that there is a separate scheme for the bus station which this cost has also been included in the SGF scheme, and therefore can be removed from the capital programme.

#### *HRA*

The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. The council has in place a robust stock condition review process which provides 100% stock data over a rolling 5-year programme, which allows for effective assessment against Regulatory and legislative standards. In addition to which, the recently updated Fire Risk Assessments, allow us to plan the current and future programme to ensure compliance with the new building safety legislation and standards. This in turn is complimented by the new compliance framework that has been rolled out over the last year which provides enhanced and improved levels of assurance and up to date

information and requirements to meet the requirements of other key areas of compliance including asbestos, legionella, lifts and gas.

Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has responded to the recent and forthcoming changes in requirements with an extensive improvement programme. The first year of the programme required an investment at levels not previously seen in Guildford with £24.5 million invested in 2022-23, and a further £20 million planned for 2023-24 after which the extensive programme of building safety improvement will be completed and investment level will return to levels as previous seen. The capital programme will be funded from HRA capital receipts and reserves. There is also £145 million between 2022-23 and 2027-28 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 include:

- Guildford Park Car Park £38.9 million
- WUV £49 million
- Foxburrows £10 million

Paragraph 4.13 contains a summary of the new bids submitted. Appendices 2 and 3 show the position and profiling of the current programme (2022-23 to 2027-28)

### 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 2023-24 is £3.5 million, based on an average investment portfolio of £75 million, at a weighted average rate of 3.56%. The budget for debt interest paid is £8.2 million, of which £4.8 million relates to the HRA and £600,000 short term loans. WUV interest of £2.8 million is being capitalised and added to the cost of the scheme.

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 £174 million, as per the 2021-22 unaudited Statement of Accounts, with rent receipts of £8.2 million

The Council has invested £25.3 million in our housing company – North Downs Housing Ltd (NDH). This is via 40% equity to Guildford Borough Council Holdings Ltd (£10.1 million) (who in turn pass the equity to NDH), and 60% loan direct to NDH (£15.3 million) at a rate of 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. Section 5 of the report

Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at Appendix 9.

Flexible use of capital receipts policy

The updated flexible use of capital receipts policy can be found in Appendix 8. This policy, if approved at Council, allows us to use any capital receipts received in year to be used to fund any service transformation costs incurred in the same year. Officers are recommending this policy be approved to allow us the flexibility to fund transformation costs if appropriate.

**Recommendation to Executive / Council**

Subject to Council approving the budget on 8 February 2023, the Executive is asked to agree the following:

- 1) That the £500,000 allocated in respect of the Bus Station relocation scheme (Scheme no. P17 (p)) be removed from the provisional capital programme.
- 2) That the new bids, as shown in paragraph 4.13 of this report be approved for inclusion in the capital programme as indicated.

**The Executive is also asked to recommend to Council on 8 February:**

- 1) That the General Fund and HRA capital estimates, as shown in appendices 2 and 3, as amended to include such bids as may be approved by the Executive at its meeting on 26 January 2023, be approved
- 2) That the Minimum Revenue Provision policy, referred to in section 5 of this report, be approved.
- 3) That the capital and investment strategy be approved, specifically the investment strategy and Prudential Indicators contained within this report and in Appendix 1.



- 4) That the updated flexible use of capital receipts policy at Appendix 8 be approved.

Reasons for Recommendation:

- To enable the Council to approve the capital and investment strategy for 2023-24 to 2027-28
- To enable the Council, at its budget meeting on 8 February 2023, 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 CIPFA Prudential Code when determining how much it can afford to borrow, and to regulate treasury activities. The requirement to report in accordance with the TM code, and the prevailing DLUHC Investment Guidance is incorporated within this report and appendices.
- 1.2 The Council must have an approved investment strategy, comprising both treasury and non-treasury investments (including service and commercial investments). The implications associated with that are detailed in this capital and investment strategy.
- 1.3 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 and is, therefore, the foundation of long-term capital planning.
- 1.4 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.
- 1.5 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.
- 1.6 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, as 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.

- 1.7 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 CIPFA 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
- 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 (April 2021 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 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.

- 4.4 All capital expenditure must be financed, either from external sources (grants and contributions), own resources (revenue, reserves, capital receipts) or debt (borrowing or leasing).
- 4.5 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 - 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.
- 4.6 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). Depending on how much we spend and how much capital income we may receive will determine how the overall capital programme is financed.
- 4.7 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.

#### **Current capital programme**

- 4.8 A copy of the current capital programmes is attached at appendices 2 and 3, together with a schedule of the latest resource availability for, and financing of the programme.
- 4.9 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.
- 4.10 The Council is currently projecting expenditure of £200 million for HRA and £434 million for GF. The underlying need to borrow for the period is £286 million.
- 4.11 An agreement has been made with St Edwards which involves them moving the bus station as part of their development. This means we no

longer need the £500,000 in our budget for this scheme, and officers are recommending it is removed from the provisional capital programme.

### New capital schemes

#### General Fund

4.12 Officers have put forward 7 bids, with gross expenditure of totalling £10.4 million up to 2027-28. 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 £287 million up to 2027-28.

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

Project title	GROSS ESTIMATES					TOTAL COST £000
	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	
<b>General fund: Provisional</b>						
Lido road allotments security fencing	70	0	0	0	0	70
2015 Play strategy action plan	200	0	0	0	0	200
Spectrum upgrades	1,250	1,750	2,300	1,150	650	7,100
GBC Depot - operational	200	2,200	30	0	0	2,430
Derby Rd playground conversion	120	0	0	0	0	120
SMP astro turf surface	8	2	0	0	0	10
Investment Property void pot	100	100	100	100	100	500
<b>Total</b>	<b>1,948</b>	<b>4,052</b>	<b>2,430</b>	<b>1,250</b>	<b>750</b>	<b>10,430</b>
<b>HRA: Approved</b>						
Capital works to properties/estates	20,600	0	0	0	0	20,600
						0
<b>Total HRA</b>	<b>20,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,600</b>
<b>Gross total</b>	<b>22,548</b>	<b>4,052</b>	<b>2,430</b>	<b>1,250</b>	<b>750</b>	<b>31,030</b>
Funded by reserves or contributions	(20,600)	0	0	0	0	(20,600)
<b>Cost to the Council</b>	<b>1,948</b>	<b>4,052</b>	<b>2,430</b>	<b>1,250</b>	<b>750</b>	<b>10,430</b>

4.14 The Spectrum and GBC Operational depot will come forward as separate mandates in due course.

#### HRA

4.15 The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. The council has in place a robust stock condition review process which provides 100% stock data over a rolling 5-year period, which allows for effective assessment against Regulatory and legislative standards. In

addition to which, the recently updated Fire Risk Assessments, allow us to plan the current and future programme to ensure compliance with the new building safety legislation and standards. This in turn is complimented by the new compliance framework that has been rolled out over the last year which provides enhanced and improved levels of assurance, up to date information to meet the requirements of other key areas of compliance including asbestos, legionella, lifts and gas.

- 4.16 Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has responded to the recent and forthcoming changes in requirements with an extensive programme of improvements. The first year of the programme required an investment at levels not previous seen in Guildford with £24.5 million invested in 2022-23, with a further £20 million planned for 2023-24 after which the extensive programme of building safety improvement will be completed, and investment level will return to levels as previous seen. The capital programme will be funded from HRA capital receipts and reserves. There is also £145 million between 2022-23 and 2027-28 million included for development projects to build or acquire new housing (including WUV). The proposed budget can be seen in Appendix 3.

#### **Prudential Indicators**

- 4.17 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.
- 4.18 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.
- 4.19 Indicators we are required to calculate, and monitor are detailed below

#### *Estimates of Capital Expenditure*

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

CAPITAL EXPENDITURE SUMMARY	2022-23	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Approved £000	Outturn £000	Variance £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
<b>General Fund Capital Expenditure</b>								
- Main Programme	107,404	58,822	(48,582)	74,886	2,833	2,000	2,000	2,000
- Provisional schemes	44,510	725	(43,785)	118,833	67,989	43,483	27,642	29,203
- Schemes funded by reserves	1,618	1,530	(88)	1,031	940	0	0	0
- S106 Projects	58	263	205	122	0	0	0	0
- New Bids (net cost)	0	0	0	1,948	4,052	2,430	1,250	750
<b>Total Expenditure</b>	<b>153,590</b>	<b>61,340</b>	<b>(92,250)</b>	<b>196,820</b>	<b>75,814</b>	<b>47,913</b>	<b>30,892</b>	<b>31,953</b>
<b>Financed by :</b>								
Capital Receipts	0	(0)	(0)	0	0	(21,641)	(27,117)	(22,593)
Capital Grants/Contributions	(47,472)	(19,758)	27,714	(46,336)	(4,589)	(1,020)	0	0
Capital Reserves/Revenue	(1,838)	(2,979)	(1,141)	(1,131)	(1,160)	(220)	0	0
Borrowing	(104,280)	(38,603)	65,677	(149,353)	(70,065)	(25,032)	(3,775)	(9,360)
<b>Financing - Totals</b>	<b>(153,590)</b>	<b>(61,340)</b>	<b>92,250</b>	<b>(196,820)</b>	<b>(75,814)</b>	<b>(47,913)</b>	<b>(30,892)</b>	<b>(31,953)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	52,909	32,869	(20,040)	27,266	7,847	400	0	0
- Provisional schemes	7,281	75	(7,206)	15,928	26,324	34,373	49,575	5,575
- New bids	0	0	0	20,600	0	0	0	0
<b>Total Expenditure</b>	<b>60,190</b>	<b>32,944</b>	<b>(27,246)</b>	<b>63,794</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>Financed by :</b>								
- Capital Receipts	(8,540)	(3,208)	5,332	(8,494)	(3,430)	(3,521)	0	0
- Capital Reserves/Revenue	(40,103)	(18,188)	21,915	(55,300)	(30,741)	(31,252)	(49,575)	(5,575)
- Borrowing	0	0	0	0	0	0	0	0
<b>Financing - Totals</b>	<b>(48,643)</b>	<b>(21,396)</b>	<b>27,247</b>	<b>(63,794)</b>	<b>(34,171)</b>	<b>(34,773)</b>	<b>(49,575)</b>	<b>(5,575)</b>

4.21 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*

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

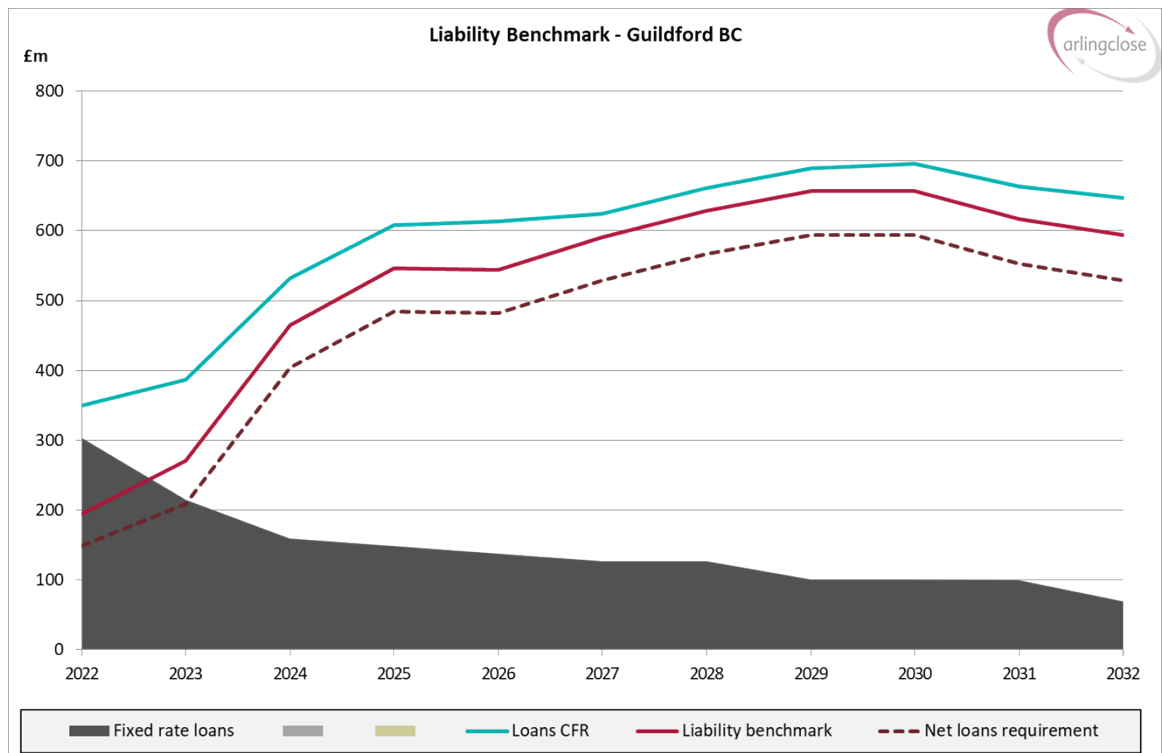
4.23 The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and following two years. Because we use our CFR projections as part of our liability benchmark, we project over a longer period, and present in the report at least the five-year time frame in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

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

	Actual	Forecasts	£m				
Position at 31 March	2022	2023	2024	2025	2026	2027	2028
Loans CFR	350.1	386.3	532.5	608.5	613.5	624.2	660.9
External borrowing	-303.7	-214.6	-159.0	-148.3	-137.7	-127.1	-126.4
Internal (over) borrowing	46.3	171.7	373.6	460.1	475.8	497.1	534.5
Balance sheet resources	-201.0	-177.6	-128.9	-123.7	-130.9	-95.3	-93.8
Investments (new borrowing)	154.6	5.9	-244.6	-336.4	-344.9	-401.8	-440.8

4.25 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.

4.26 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.



4.27 The gap between the lines and the shaded area is the need to borrow externally, only assuming the capital expenditure that has been or is being approved as part of this report.

*Operational boundary and authorised limit for external debt*

4.28 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.

4.29 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.

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



- 4.31 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 2024.

Operational Boundary of External Debt	2022-23 Approved £000	2022-23 Revised £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Borrowing - General Fund	250,856	192,056	338,316	414,256	419,256	429,976	466,716
Borrowing - HRA	217,024	199,204	199,204	199,204	199,204	199,204	199,204
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
<b>Total</b>	<b>493,880</b>	<b>417,260</b>	<b>563,520</b>	<b>639,460</b>	<b>644,460</b>	<b>655,180</b>	<b>691,920</b>

- 4.32 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	2022-23 Approved £000	2022-23 Revised £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Borrowing - General Fund	309,556	244,956	403,316	479,256	484,256	494,976	531,716
Borrowing - HRA	217,024	199,204	199,204	199,204	199,204	199,204	199,204
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
<b>Total</b>	<b>552,580</b>	<b>470,160</b>	<b>628,520</b>	<b>704,460</b>	<b>709,460</b>	<b>720,180</b>	<b>756,920</b>

*Proportion of financing costs to net revenue stream*

- 4.33 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.
- 4.34 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).
- 4.35 The table below shows the financing costs as a % of net revenue stream

	2022-23 Approved	2022-23 Outturn	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
General Fund	8.42%	0.60%	8.42%	20.26%	25.24%	53.75%	74.41%
HRA	32.49%	31.46%	32.49%	32.63%	31.64%	31.65%	32.83%

- 4.36 The HRA is remaining consistent due to the stable income, and assumption there will be interest costs on the whole £148 million PWLB debt.

- 4.37 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 2023, and unfinanced capital expenditure in 2022-23 of £235 million, the budget for MRP for 2023-24 and future years is:

2023/24	£1.7 million
2024/25	£3.9 million
2025/26	£4.0 million
2026/27	£4.1 million
2027/28	£4.1 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 2024, 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 of overdrafts in the bank current account.
- 6.2 The policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns.
- 6.3 The Council is typically cash rich in the short-term as revenue income is received before it is spent (and invested more securely to minimise the risk of loss), 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. Money that will be held for longer terms is invested more widely to balance the risk of loss against the risk of receiving returns below inflation.
- 6.4 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.
- 6.5 The Council currently has a total of £170 million long-term borrowing which £148 million is related to the HRA at an average rate of 3.37% with a cost of £4.7 million in interest, and the remaining £22 million relates to WUV and the interest is being capitalised to the project. Short-term borrowing, falling on the GF, is expected to cost £0.6 million at an average rate of 4.5%. The Council's average investment portfolio is £75 million at an average rate of 3.56%, generating £3.5 million of interest.

### **Borrowing Strategy**

- 6.6 The Council's main objective when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 6.7 The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the PWLB.
- 6.8 Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The liability benchmark in paragraphs 4.23 to 4.26 show we are meeting the statutory guidance.

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

**Investment strategy**

- 6.10 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.
- 6.11 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.
- 6.12 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.
- 6.13 The detailed investment strategy can be found in Appendix 1, section 5.
- 6.14 The Council has identified the proportion of income from these types of investments against gross service expenditure. This income is part of the net service cost and therefore makes a positive contribution to the Council Tax Requirement. We have an interest rates movement earmarked reserve to cover any loss in investment income in the year, and for lower investment property income we have an earmarked reserve

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gross Service Expenditure	110,099	119,154	120,230	121,628
Investment property income	8,649	9,704	9,704	9,704
Treasury management income	3,490	2,833	2,076	2,076
Investment income %	11%	11%	10%	10%

6.15 The table shows that the income from both investment property and treasury management income (“investment income”) contributes around 10% 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 is 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 £174 million as per the 2021-22 unaudited statement of accounts, with rent receipts of £8.75 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 risking 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 Joint Strategic Director of Place 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.

*Net income from commercial and service investments to net revenue stream*

- 7.17 The table below shows net revenue stream compared to the net income from commercial investments:

	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Net Revenue Stream	15,828	15,061	15,300	15,667	15,919
Net income	8,760	8,751	8,741	8,741	8,741

- 7.18 The table shows that income from commercial investments is significant when compared to the Council’s net revenue stream.

**Other Liabilities**

- 7.19 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.



- 7.20 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.
- 7.21 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.
- 7.22 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.
- 7.23 Decisions on incurring new discretionary liabilities are taken by the relevant service leader and the CFO.
- 7.24 A new accounting standard, IFRS16 – accounting for leases, comes into effect from 1 April 2024. 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 Joint Executive Head of Finance 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 Finance and Planning Policy 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 taxpayer.
- 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.
- 10.7 The Council has some significant and costly capital schemes in its programme. Each of these schemes have a high level of scrutiny in its finances with continually updated finance cases as any change in these can be financially significant. The key risk being that if any of these schemes were approved based on a net income or break even, and they then become a cost to the Council this will increase the borrowing burden on the GF.

#### **Treasury management risks**

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

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

- 10.13 There are some identifiable risks of investing in property
- 10.14 A downturn in the property market could lead to falling rents or higher vacancies meaning that rental income may not cover borrowing costs

- 10.15 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
- 10.16 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 2023-24 is £3.5 million, based on an average investment portfolio of £70 million, at a weighted average rate of 3.56%. The budget for debt interest paid of £8.2 million, of which £4.7 million relates to the HRA, £2.8 million capitalised for WUV and £600,000 temporary borrowing cost. 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 £9.7 million in 2023-24
- 11.5 The MRP budget is £1.7 million in 2023-24
- 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 2023-24. The policy can be found at appendix 8.

**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

<b>Total Investment Exposure</b>	<b>2022-23 Projection £000</b>	<b>2023-24 Forecast £000</b>	<b>2024-25 Forecast £000</b>
Treasury management investments	95,628	61,383	54,792
Service investments: Loans	15,180	15,180	15,180
Service investments: Shares	10,120	10,120	10,120
Investment property	174,256	174,256	174,256
<b>Total Investments</b>	<b>295,184</b>	<b>260,939</b>	<b>254,348</b>

- 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

<b>Investments net rate of return</b>	<b>2022-23 Projection £000</b>	<b>2023-24 Forecast £000</b>	<b>2024-25 Forecast £000</b>
Treasury management investments	1.17%	3.67%	2.24%
Service investments: Loans	5.00%	5.00%	5.00%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.00%	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. Summary of Options**

16.1 Officers have detailed the options within each new capital bid / mandate

16.2 The CIPFA TM Code does not prescribe any particular treasury management strategy for local authorities to adopt. The CFO, having consulted with the Lead Councillor for Finance and Asset Management, believes the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies and risk management implications are:

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

**17. Conclusion**

17.1 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.

- 17.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £315 million by 31 March 2027.
- 17.3 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.

**18. Background Papers**

None

**19. Appendices**

Appendix 1: Detailed capital and investment strategy  
Appendix 2: Schedule of GF capital programme  
Appendix 3: HRA capital programme  
Appendix 4: Treasury Management Policy Statement  
Appendix 5: Money Market Code Principles  
Appendix 6: Arlingclose Economic and Interest Rate Forecast  
Appendix 7: Credit rating equivalents and definitions  
Appendix 8: Flexible use of capital receipts policy  
Appendix 9: Glossary



## Capital, Treasury and Investment Strategy - detail

### 1. Introduction

1.1 A capital strategy is the foundation of proper long-term planning of capital investment in assets and how it is to be delivered. It needs to link into the Council's overall corporate objectives and strategic priorities.

1.2 Council's need to invest in their assets, as they are the most valuable resource (termed as non-financial assets throughout the report).

1.3 Capital expenditure is defined as:

*"Money spent on acquiring or upgrading fixed assets, to increase the life of the asset or improve its productivity or efficiency to the organisation"*

1.4 Capital planning is about investment in assets and is, therefore, linked to asset planning. Council assets have been acquired using public money, so 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 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.

- 1.9 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.
- 1.10 The following sections of the strategy outline the Council's balance sheet and treasury position, capital expenditure and treasury management strategy.
- 1.11 In order to understand the context of the capital and investment strategy (where we are going and how we will get there), it is important to understand where we are now.

## **2. External Context**

### **Economic Background**

- 2.1 The Bank of England (BoE) increased Bank Rate by 0.75% to 3.0% in November 2022, the largest single rate hike since 1989 and the eighth successive rise since December 2021
- 2.2 The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
- 2.3 Growth is then expected to continue to fall throughout 2023 and the first half of 2024.
- 2.4 CPI inflation is expected to peak at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets with a peak of 5.25%.
- 2.5 the MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

**Credit outlook**

- 2.6 The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.
- 2.7 There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability

**Interest rate forecast**

- 2.8 Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.
- 2.9 While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.
- 2.10 Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.6%, 3.7%, and 3.9% respectively over the 3-year period to September 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

**3. Balance sheet and treasury position**

**Balance Sheet**

- 3.1 The Council has a strong asset backed balance sheet

	Balance at 31 March 2021		Balance at 31 March 2022		
	£'000	£'000	£'000	£'000	£'000
Long term assets	966,521			1,052,236	
Short term assets	92,938			65,185	
		1,059,459	89%		1,117,421
Long term investments	27,022			39,174	
Short term investments	100,969			90,873	
		127,991	11%		130,047
					10%
<b>Total assets</b>		<b>1,187,450</b>		<b>1,247,468</b>	
Current liabilities	(62,544)			(57,992)	
Long term liabilities	(143,258)			(116,284)	
		(205,802)	40%		(174,276)
Short term borrowing	(163,772)			(134,294)	
Long term borrowing	(147,435)			(169,599)	
		(311,207)	60%		(303,893)
					64%
<b>Total liabilities</b>		<b>(517,009)</b>		<b>(478,169)</b>	
<b>Net assets</b>		<b>670,441</b>		<b>769,299</b>	

- 3.2 The summary balance sheet shows that cash investments make up only 10% of the Councils assets. Investment property makes up 17% of the long-term assets (being £174 million). The largest proportion of our liabilities is long-term borrowing, of which 87% is HRA debt, and the remaining 13% is for the WUV project.

*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.

	2021-22 Actual ('000)	2022-23 Outturn ('£000)	2023-24 Estimate ('£000)	2024-25 Estimate ('£000)	2025-26 Estimate ('£000)	2026-27 Estimate ('£000)
Total debts	303,893	240,235	388,277	454,290	476,892	479,417
Total assets	1,247,468	1,326,505	1,503,680	1,575,442	1,620,925	1,652,128
Debt Ratio %	24%	18%	26%	29%	29%	29%

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

*Local indicators*

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

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

3.7 Suggested MHCLG local indicators are:

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

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

**Treasury position**

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

	March 22 Actual £'000	Dec 22 position £'000
<b>Investments</b>		
<u>Managed in-house</u>		
Call Accounts	330	2,810
Notice Accounts - UK	3,000	3,000
Money Market Funds	39,220	11,516
Temporary Fixed Deposits	57,500	53,000
Long term Fixed Deposits	18,500	20,000
Cash plus	5,000	0
Short term bonds	2,000	2,500
Gilts	0	5,000
Covered Bonds	16,100	11,400
CD	0	2,000
<b>Total investments managed in-house</b>	<b>141,650</b>	<b>111,226</b>
<u>Pooled Funds</u>		
CCLA	6,490	6,717
M&G	3,530	0
Schroders	700	730
UBS	2,220	1,797
Royal London	2,330	2,134
Fundamentum	1,980	2,066
Aegon	0	2,438
Funding Circle	500	98
<b>Total pooled funds investments</b>	<b>17,750</b>	<b>15,980</b>
<b>Total Investments</b>	<b>159,400</b>	<b>127,206</b>
<b>Borrowing</b>		
Temporary borrowing	163,772	87,000
Long-term borrowing (PWLb)	147,435	175,000
<b>Total borrowing</b>	<b>311,207</b>	<b>262,000</b>
<b>Net investments / (borrowing)</b>	<b>(151,807)</b>	<b>(134,794)</b>

3.10 The table shows the position at the start of the financial year (included in the balance sheet), and the position at the end of December 2022 (the latest position).

3.11 Investment balances have reduced, due to repaying temporary borrowing. The net borrowing position has decreased since due to a higher reduction in borrowing than reduction in 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 and s106 funded programmes

- 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. 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.
  - 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). They 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.
- 4.5 The capital programme covers a 5 to 10-year period, with more emphasis on the first five years.
- 4.6 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.
- 4.7 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.
- 4.8 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.
- 4.9 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.
- 4.10 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.

- 4.11 The capital programme is also reviewed by CMT and Corporate Governance and Standards Committee (CGSC) as part of the regular quarterly financial monitoring and then as part of the final accounts report. Under the PPM Governance framework, the Major Project Portfolio Board, and its subgroups, meet regularly, and they receive highlight reports on the progress of all the major projects in the capital programme.
- 4.12 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
- 4.13 The actual financing of each years' capital programme is determined in the year in question.
- 4.14 Capital expenditure is split between the GF (incorporating non-HRA housing) and HRA housing.
- 4.15 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	2022-23	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Approved £000	Outturn £000	Variance £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
<b>General Fund Capital Expenditure</b>								
- Main Programme	107,404	58,822	(48,582)	74,886	2,833	2,000	2,000	2,000
- Provisional schemes	44,510	725	(43,785)	118,833	67,989	43,483	27,642	29,203
- Schemes funded by reserves	1,618	1,530	(88)	1,031	940	0	0	0
- S106 Projects	58	263	205	122	0	0	0	0
- New Bids (net cost)	0	0	0	1,948	4,052	2,430	1,250	750
<b>Total Expenditure</b>	<b>153,590</b>	<b>61,340</b>	<b>(92,250)</b>	<b>196,820</b>	<b>75,814</b>	<b>47,913</b>	<b>30,892</b>	<b>31,953</b>
<b>Financed by :</b>								
Capital Receipts	0	(0)	(0)	0	0	(21,641)	(27,117)	(22,593)
Capital Grants/Contributions	(47,472)	(19,758)	27,714	(46,336)	(4,589)	(1,020)	0	0
Capital Reserves/Revenue	(1,838)	(2,979)	(1,141)	(1,131)	(1,160)	(220)	0	0
Borrowing	(104,280)	(38,603)	65,677	(149,353)	(70,065)	(25,032)	(3,775)	(9,360)
<b>Financing - Totals</b>	<b>(153,590)</b>	<b>(61,340)</b>	<b>92,250</b>	<b>(196,820)</b>	<b>(75,814)</b>	<b>(47,913)</b>	<b>(30,892)</b>	<b>(31,953)</b>
<b>Housing Revenue Account Capital Expenditure</b>								
- Main Programme	52,909	32,869	(20,040)	27,266	7,847	400	0	0
- Provisional schemes	7,281	75	(7,206)	15,928	26,324	34,373	49,575	5,575
- New bids	0	0	0	20,600	0	0	0	0
<b>Total Expenditure</b>	<b>60,190</b>	<b>32,944</b>	<b>(27,246)</b>	<b>63,794</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>Financed by :</b>								
- Capital Receipts	(8,540)	(3,208)	5,332	(8,494)	(3,430)	(3,521)	0	0
- Capital Reserves/Revenue	(40,103)	(18,188)	21,915	(55,300)	(30,741)	(31,252)	(49,575)	(5,575)
- Borrowing	0	0	0	0	0	0	0	0
<b>Financing - Totals</b>	<b>(48,643)</b>	<b>(21,396)</b>	<b>27,247</b>	<b>(63,794)</b>	<b>(34,171)</b>	<b>(34,773)</b>	<b>(49,575)</b>	<b>(5,575)</b>



- 4.16 The programme has slipped in 2022-23 – estimated expenditure on the GF of £154 million, has been reduced to £61 million. The majority of this relates to expenditure on regeneration schemes and has been moved into later years.
- 4.17 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**

- 4.18 To ensure good governance, the Council has the following process for the capital programme.
- 4.19 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. Requests also come through via the PPM mandate process the Council has adopted.
- 4.20 Any projects that are expected to be delivered after the five-year period, of those where a scheme has not yet been fully identified are placed on the Council’s Capital Vision <sup>1</sup>(see Appendix 9). This allows us to model the potential financial impact of these schemes and be aware of schemes that are likely to be brought forward onto the GF capital programme in future and start planning potential funding streams for those schemes.
- 4.21 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.
- 4.22 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.
- 4.23 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

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

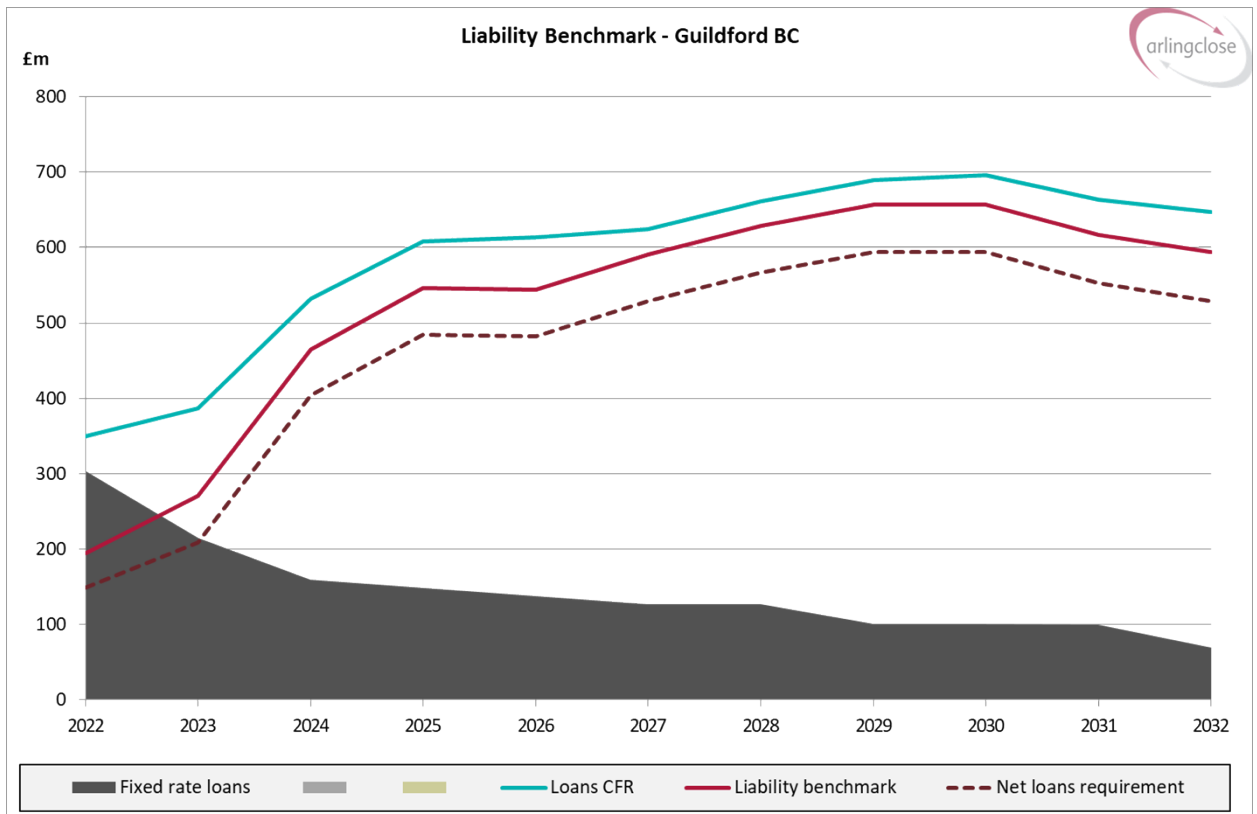
- reported to the Executive at the point a project is asking for approval to be moved from the provisional to the approved capital programme
  - a final business case – setting out the procurement process and evaluation of tenders prior to the contractual commitment of expenditure
- 4.24 The Council 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
  - 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
- 4.25 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.
- 4.26 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.
- 4.27 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.
- 5.6 The updated Codes require a new Prudential Indicator called the Liability Benchmark which Guildford had already been reporting for some years. This is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day to day cash flow.



- 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. 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
- 5.8 The differential between the CFR and the net loans requirement 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 above shows that we are expecting to comply with this recommendation.
- 5.10 The table below 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 (2022-23 to 2024-25).

Position at 31 March	Actual Forecasts £m						
	2022	2023	2024	2025	2026	2027	2028
Loans CFR	350.1	386.3	532.5	608.5	613.5	624.2	660.9
External borrowing	-303.7	-214.6	-159.0	-148.3	-137.7	-127.1	-126.4
Internal (over) borrowing	46.3	171.7	373.6	460.1	475.8	497.1	534.5
Balance sheet resources	-201.0	-177.6	-128.9	-123.7	-130.9	-95.3	-93.8
Investments (new borrowing)	154.6	5.9	-244.6	-336.4	-344.9	-401.8	-440.8

- 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.
- 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 2023-24, based on the current profile of the capital programme. We have taken out short-term loans in the year to cover cash flow.

#### **Borrowing strategy**

- 5.14 The Council's primary objective when borrowing money is to strike an appropriately low risk balance 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.
- 5.15 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.
- 5.16 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.
- 5.17 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.
- 5.18 By doing this, we are able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk.
- 5.19 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.
- 5.20 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 2023-24 with a view to keeping future interest costs low, even if this causes additional cost in the short term.

- 5.21 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.
- 5.22 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).
- 5.23 Its output may determine whether we arrange forward starting loans 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.
- 5.24 We may continue to borrow short-term for cash flow shortages.
- 5.25 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*

- 5.26 We have previously borrowed our long-term borrowing from the PWLB. We will consider 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 TM Code.
- 5.27 PWLB loans are no longer available to local authorities planning to buy investment assets primary for yield, we made the decision several years ago to only buy properties for strategic reasons, and not those purely for yield.
- 5.28 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
- 5.29 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)*

5.30 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*

5.31 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).

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

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

<b>Maturity Structure of borrowing</b>		
	<b>2023-24</b>	
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50.00%
1 year to 2 years	0%	50.00%
3 years to 5 years	0%	60.00%
6 years to 10 years	0%	75.00%
11 years and above	0%	100.00%

5.34 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*

5.35 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. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

**Investment strategy**

- 5.36 The 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.
- 5.37 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.
- 5.38 The TM Code does not permit Councils to both borrow and invest long-term for cash flow management, but they may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme up to three years, to manage inflation risk by investing usable reserves in instruments whose value rises with inflation and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 5.39 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.
- 5.40 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.
- 5.41 The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 5.42 ESG considerations are increasingly a factor in global investors decision making, but the framework for evaluating investment opportunities is still developing and therefore the Councils policy does not currently include ESG scoring or other real time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

*Counterparty limits*

- 5.43 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

- 5.44 The time limits shown are the maximum from the start of an investment, and operationally we could have a shorter duration.
- 5.45 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.
- 5.46 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.
- 5.47 For entities without published credit ratings, investments will only be made following external advice.
- 5.48 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.
- 5.49 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 Registered providers (unsecured): loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formally known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.52 Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.53 Strategic 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 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 the Council's investment objectives will be monitored regularly.
- 5.54 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.
- 5.55 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 Council's investment at risk.
- 5.56 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 chance of the Council maintaining operational continuity.

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

- 5.60 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
- 5.61 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.
- 5.62 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.
- 5.63 We will not make investments with any organisation if there are substantive doubts about its credit quality, even if it meets the above criteria.
- 5.64 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.

5.65 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 2023-24.
- 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.

Interest rate risk

5.66 Interest rate risk is defined as “the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately”. In local authorities this risk is therefore commonly considered in the context of the impact of changes in interest rates on the revenue account

5.67 Long term treasury management investments: 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 treasury management investments will be:

	2022-23 Approved	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Upper limit for total principal sums invested for longer than a year	£50m	£50m	£50m	£50m

5.68 Long-term investments with no fixed maturity date include strategic pooled funds, and REITS but exclude money market funds and bank accounts with no fixed maturity date as these are considered long-term.

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 revenue 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.

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-22 (b) £000	2022-23		Expenditure at P9 (e) £000	Projected exp est by project officer (f) £000	2023-24 Est for year (ii) £000	2024-25 Est for year (iii) £000	2025-26 Est for year (iv) £000	2026-27 Est for year (v) £000	2027-28 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(f)+(g) = (h) £000	Grants / Contributions towards cost of scheme (i) £000	Funded from Reserves (j)	Net cost of scheme (h)-(i)-(j)= (k) £000
				Estimate approved by Council in February (c) £000	Revised estimate (d) £000												
<b>APPROVED SCHEMES</b>																	
<b>COMMUNITY DIRECTORATE</b>																	
	<b>General Fund Housing</b>																
	Disabled Facilities Grants		annual	605	605	371	605	605	605	-	-		1,210	1,815	(806)	-	1,009
	Better Care Fund		annual	-	-	203	-	-	-	-	-		-	-	-	-	-
	Home Improvement Assistance		annual	-	-	13	-	-	-	-	-		-	-	-	-	-
	Solar Energy Loans		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	BCF TESH Project		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	BCF Prevention grant		annual	-	-	3	-	-	-	-	-		-	-	-	-	-
	SHIP		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	General Grants to HAs		annual	100	100	-	-	100	100	-	-		200	200	-	-	200
	<b>Asset Management</b>			-	-	-	-	-	-	-	-		-	-	-	-	-
ED14(e)	Void investment property refurbishment works	570	503	-	55	-	55	-	-	-	-		-	570	-	-	570
ED15	1 Middleton void works				9	-	9	-	-	-	-		-	-	-	-	-
	C4 41 Moorfield Road Slyfield void works(complete)			10	3	3	3	-	-	-	-		-	-	-	-	-
ED14	10 Middleton void works	230	222	-	8	-	8	-	-	-	-		230	(100)	-	-	130
ED21	Methane gas monitoring system	100	48	51	52	-	-	52	-	-	-		52	100	-	-	100
ED22	Energy efficiency compliance - Council owned properties	245	82	163	163	3	30	133	-	-	-		133	245	-	-	245
ED26	Bridges -Inspections and remedial works	317	203	90	114	27	114	-	-	-	-		-	317	-	-	317
ED41	The Billings roof	200	192	-	8	4	8	-	-	-	-		-	200	-	-	200
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	57	57	-	-	57	-	-	-		57	200	-	-	200
	<b>COMMUNITY DIRECTORATE TOTAL</b>	<b>1,862</b>	<b>1,394</b>	<b>1,076</b>	<b>1,173</b>	<b>627</b>	<b>831</b>	<b>947</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,652</b>	<b>3,878</b>	<b>-906</b>		<b>2,972</b>
<b>ENVIRONMENT DIRECTORATE</b>																	
<b>Operational Services</b>																	
OP1/OP20	Flood resilience measures (use in conjunction with grant funded schemes)	445	324	121	121	-	121	-	-	-	-		-	445	-	-	445
OP5	Mill Lane (Pirbright) Flood Protection Scheme(no longer reqd)	71	55	16	16	-	-	-	-	-	-		-	55	(19)	-	36
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	10,395	-	270	99	121	149	-	-	-		149	10,665	(26)	-	10,639
OP26	Marrow lane grille & headwall construction	60	3	57	57	-	57	-	-	-	-		-	60	-	-	60
OP28	Crown court CCTV	10	-	10	10	-	10	-	-	-	-		-	10	-	-	10
OP22	Town Centre CCTV upgrade	250	-	250	250	-	125	125	-	-	-		125	250	-	-	250
OP24	Yorkies Bridge Lighting	20	-	20	20	12	20	-	-	-	-		-	20	-	-	20
	<b>Parks and Leisure</b>																
PL20(c)	Redevelopment of Westborough and Park barn play area	320	-	320	320	-	-	320	-	-	-		320	320	-	-	320
PL34	Stoke cemetery re-tarmac	122	-	122	122	55	122	-	-	-	-		-	122	-	-	122
PL57	Parks and Countryside - repairs and renewal of paths,roads and car parks	355	256	97	99	71	99	-	-	-	-		-	355	-	-	355
PL58	Shalford Common - regularising car parking/reduction of encroachments	121	29	30	32	-	-	92	-	-	-		92	121	-	-	121
PL60	Traveller encampments	53	-	28	53	-	27	26	-	-	-		26	53	-	-	53
PL60	Traveller transit site provision	127	-	127	127	-	127	-	-	-	-		-	127	-	-	127
	Works to Weir		418		-		-		-	-	-		-	418	-	-	418
PL61	Stoke Park Paddling Pool	170	-	170	170	168	170	-	-	-	-		-	170	-	-	170
PL62	Lido - Drainage Works	2,100	2		2,098	251	1,845	200	53				253	2,100		(1,500)	600

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-22 (b) £000	2022-23			Expenditure at P9 (e) £000	Projected exp est by project officer (f) £000	2023-24 Est for year (ii) £000	2024-25 Est for year (iii) £000	2025-26 Est for year (iv) £000	2026-27 Est for year (v) £000	2027-28 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(f)+(g) = (h) £000	Grants / Contributions towards cost of scheme (i) £000	Funded from Reserves (j) (1,500)	Net cost of scheme (h)-(i)-(j)= (k) £000
				Estimate approved by Council in February (c) £000	Revised estimate (d) £000	2022-23 Est for year (ii) £000												
<b>ENVIRONMENT TOTAL DIRECTORATE</b>		<b>14,889</b>	<b>11,482</b>	<b>1,368</b>	<b>3,765</b>	<b>656</b>	<b>2,844</b>	<b>912</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>965</b>	<b>15,291</b>	<b>(45)</b>	<b>(1,500)</b>	<b>13,746</b>	
<b>FINANCE DIRECTORATE</b>																		
FS1	Financial Services Capital contingency fund	annual	-	2,000	1,340	-	1,340	2,000	2,000	2,000	2,000	2,000	10,000	11,340	-		11,340	
<b>RESOURCES DIRECTORATE TOTAL</b>		<b>0</b>	<b>0</b>	<b>2,000</b>	<b>1,340</b>	<b>0</b>	<b>1,340</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,000</b>	<b>11,340</b>	<b>0</b>		<b>11,340</b>	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																		
<b>Development / Infrastructure</b>																		
ED54	Rodboro Buildings - electric theatre through road and parking	416	36	370	369	3	1	379	-	-	-	-	379	416	-		416	
P5	Walnut Bridge replacement	5,098	4,567	500	530	705	530	-	-	-	-	-	-	5,098	(2,456)	(950)	1,691	
	SMC(West) Phase 1	1,967	1,785	200	182	7	182	-	-	-	-	-	-	1,967	(914)		1,053	
P22	Ash Bridge Land acquisition	145	145	-	0	157	0	-	-	-	-	-	-	145	-		145	
P21	Ash Road Bridge	33,745	6,349	14,393	18,983	1,950	5,088	22,308	-	-	-	-	22,308	33,745	(30,400)		3,345	
P21	Ash Road Footbridge	500	58	255	406	36	406	36	-	-	-	-	36	500	-	-	500	
	Broadband for Surrey Hills (B4SH)	60	3		60	44	60											
P11	Guildford West (PB) station	500	-	500	500	-	250	250	-	-	-	-	250	500	-		500	
<b>Development Financial</b>																		
	Investment in North Downs Housing (60%)	15,180	13,717	1,073	1,463	1,463	1,463	-	-	-	-	-	-	15,180	-		15,180	
	Equity shares in Guildford Holdings Ltd (40%)	10,120	9,154	710	966	966	966	-	-	-	-	-	-	10,120	-		10,120	
ED49	Middleton Ind Est Redevelopment	14,907	9,310	5,557	5,597	2,687	5,222	300	75	-	-	-	375	14,907	-		14,907	
P12	Property acquisitions	33,520	8,767	24,992	24,753	16	800	23,953	-	-	-	-	23,953	33,520	-		33,520	
PL9	Rebuild Crematorium	11,036	10,927	-	109	6	109	-	-	-	-	-	-	11,036	-		11,036	
ED27	North Street Development / Guild Town Centre regeneration	1,627	1,473	150	154	98	154	-	-	-	-	-	-	1,627	(250)		1,377	
P22	Shaping Guildford Future (SGF)	4,170		1,530	2,630	3	1,530	2,640					2,640	4,170			4,170	
ED32	Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	-	193	-	-	-	-	-	-	11,139	(5,107)		6,032	
P	ED6	Slyfield Area Regeneration Project (SARP)	98,444	21,444	52,730	53,725	5,605	36,000	21,161	-	-	-	-	21,161	98,644	(24,431)		74,213
	ED6	WUV - Allotment relocation	200	2,641	-	-	497	-	-	-	-	-	-	-	-			
	ED6	WUV - Int roads, Site clearance	-	1	-	-	-	-	-	-	-	-	-	-	-			
	ED6	WUV - New GBC Depot	2,480	1,628	-	852	743	852	-	-	-	-	-	2,480	-		2,480	
	ED6	WUV - Thames Water relocation	-	16,307	-	-	3,850	-	-	-	-	-	-	-	-		-	
	ED6	WUV - Land Purchase	-	1,091	-	-	-	-	-	-	-	-	-	-	-		-	
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>		<b>245,254</b>	<b>120,348</b>	<b>102,960</b>	<b>111,473</b>	<b>18,835</b>	<b>53,807</b>	<b>71,027</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,102</b>	<b>245,194</b>	<b>-63,558</b>	<b>-950</b>	<b>180,686</b>	
<b>APPROVED SCHEMES TOTAL</b>		<b>262,005</b>	<b>133,224</b>	<b>107,404</b>	<b>117,751</b>	<b>20,118</b>	<b>58,822</b>	<b>74,886</b>	<b>2,833</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>83,719</b>	<b>275,703</b>	<b>-64,509</b>	<b>-2,450</b>	<b>208,744</b>	
non-development projects total		16,751	12,876	4,444	6,278	1,283	5,016	3,859	2,758	2,000	2,000	2,000	12,617	30,509	-951	-1,500	28,058	
development/infrastructure - non-financial benefit		42,431	12,943	16,218	21,030	2,901	6,517	22,973	0	0	0	0	22,973	42,371	-33,770	-950	7,651	
development- financial benefit		202,823	107,405	86,742	90,442	15,934	47,289	48,054	75	0	0	0	48,129	202,823	-29,788	0	173,035	
<b>TOTAL</b>		<b>262,005</b>	<b>133,224</b>	<b>107,404</b>	<b>117,751</b>	<b>20,118</b>	<b>58,822</b>	<b>74,886</b>	<b>2,833</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>83,719</b>	<b>275,703</b>	<b>-64,509</b>	<b>-2,450</b>	<b>208,744</b>	



GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-22 (b) £000	2022-23	Revised estimate (e) £000	Expenditure at P9 (f) £000	Projected expenditure by project officer (g) £000	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Future years estimated expenditure (h) £000	Projected expenditure total (b)+(g)+(h)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i) - (j) = (k) £000
				Estimate approved by Council in February (c) £000				Est for year (i) £000	Est for year (ii) £000	Est for year (iii) £000	Est for year (iv) £000	Est for year (v) £000	Est for year (v) £000	Est for year (v) £000	Est for yr and SARP to 3233 (v) £000				
<b>PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)</b>																			
<b>COMMUNITY DIRECTORATE</b>																			
<b>Asset Management</b>																			
ED21(P)	Methane gas monitoring system	150	-	-	-	-	-	150	-	-	-	-	-	-	-	150	150	-	150
ED22(P) CP5	Energy efficiency compliance - Council owned properties & Energy & CO2 reduction in Council non HRA properties	3,218	-	1,268	1,268	-	-	2,718	500	-	-	-	-	-	-	3,218	3,218	-	3,218
ED26(P)	Bridges	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	-	10
<b>Office Services</b>																			
BS3(p)	Millmead House - M&E plant renewal	33	-	33	33	-	33	-	-	-	-	-	-	-	-	-	33	-	33
<b>COMMUNITY DIRECTORATE TOTAL</b>		<b>6,933</b>	<b>-</b>	<b>1,681</b>	<b>1,681</b>	<b>-</b>	<b>413</b>	<b>2,868</b>	<b>500</b>	<b>3,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,520</b>	<b>6,933</b>	<b>-</b>	<b>6,933</b>
<b>ENVIRONMENT DIRECTORATE</b>																			
<b>Operational Services</b>																			
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	24,000	-	3,280	2,500	-	-	2,900	2,500	5,000	3,000	6,500	1,500	2,000	600	24,000	24,000	-	24,000
OP21(P)	Surface water management plan	200	-	-	-	-	-	200	-	-	-	-	-	-	-	200	200	-	200
OP22(P)	YMCA Lighting	24	-	24	24	-	24	-	-	-	-	-	-	-	-	-	24	-	24
OP23(p)	Millmead House Lifts	200	-	200	200	-	200	-	-	-	-	-	-	-	-	-	200	-	200
<b>Parks and Leisure</b>																			
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
PL57(p)	Parks and Countryside - repairs and renewal of paths,roads and car	1,382	-	382	382	-	-	250	250	250	250	382	-	-	-	1,382	1,382	-	1,382
PL59(p)	Millmead fish pass	60	-	60	60	-	60	-	-	-	-	-	-	-	-	-	60	-	60
PL61(p)	Albury Closed Burial Ground(no longer reqd)	60	-	57	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PL62(p)	Chilworth Gunpowder Mills	180	-	175	175	-	10	165	5	-	-	-	-	-	-	170	180	-	180
PL63(p)	Memorial Wall	100	-	100	100	-	-	-	-	100	-	-	-	-	-	100	100	-	100
PL34(p)	Stoke cemetery re-tarmac	18	-	18	18	-	18	-	-	-	-	-	-	-	-	-	18	-	18
<b>ENVIRONMENT DIRECTORATE TOTAL</b>		<b>26,414</b>	<b>-</b>	<b>4,336</b>	<b>3,556</b>	<b>-</b>	<b>312</b>	<b>3,555</b>	<b>2,905</b>	<b>5,350</b>	<b>3,250</b>	<b>6,882</b>	<b>1,500</b>	<b>2,000</b>	<b>600</b>	<b>26,042</b>	<b>26,354</b>	<b>(29)</b>	<b>26,325</b>
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS</b>																			
<b>Development / Infrastructure</b>																			
	Investment in North Downs Housing	30,100	-	5,518	5,518	-	-	5,518	12,539	-	-	-	-	-	-	18,057	18,057	-	18,057
	Equity shares in Guildford Holdings Ltd	-	-	3,683	3,683	-	-	3,683	8,360	-	-	-	-	-	-	12,043	12,043	-	12,043
P10(p)	Sustainable Movement Corridor	150	-	-	-	-	-	-	150	-	-	-	-	-	-	150	150	-	150
P11(p)	Guildford West (PB) station	1,000	-	1,000	1,000	-	-	1,000	-	-	-	-	-	-	-	1,000	1,000	-	1,000
P17(p)	Bus station relocation	500	-	-	-	-	-	-	500	-	-	-	-	-	-	500	500	-	500
P21(p)	Ash Road Footbridge	4,521	-	-	-	-	-	183	4,288	50	-	-	-	-	-	4,521	4,521	-	4,521
<b>Development Financial</b>																			
P ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	222,684	-	-	-	-	-	73,584	28,697	34,881	24,342	22,271	14,910	17,909	-	216,594	216,594	(13,704)	202,890
ED38(P)	North Street development	1,350	-	-	-	-	-	150	50	50	50	50	50	950	-	1,350	1,350	-	1,350
P12(p)	Property acquisitions	38,292	-	28,292	28,292	-	-	28,292	10,000	-	-	-	-	-	-	38,292	38,292	-	38,292
<b>DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL</b>		<b>298,597</b>	<b>-</b>	<b>38,493</b>	<b>38,493</b>	<b>-</b>	<b>-</b>	<b>112,410</b>	<b>64,584</b>	<b>34,981</b>	<b>24,392</b>	<b>22,321</b>	<b>14,960</b>	<b>18,859</b>	<b>-</b>	<b>292,507</b>	<b>292,507</b>	<b>(13,704)</b>	<b>278,803</b>
<b>PROVISIONAL SCHEMES - GRAND TOTALS</b>		<b>331,944</b>	<b>-</b>	<b>44,510</b>	<b>43,730</b>	<b>-</b>	<b>725</b>	<b>118,833</b>	<b>67,989</b>	<b>43,483</b>	<b>27,642</b>	<b>29,203</b>	<b>16,460</b>	<b>20,859</b>	<b>600</b>	<b>325,069</b>	<b>325,794</b>	<b>(13,733)</b>	<b>312,061</b>
non development projects		33,347	-	6,017	5,237	-	725	6,423	3,405	8,502	3,250	6,882	1,500	2,000	600	32,562	33,287	(29)	33,258
development/infrastructure - non-financial benefit		36,271	0	10,201	10,201	0	0	10,384	25,837	50	0	0	0	0	0	36,271	36,271	0	36,271
development- financial benefit		262,326	0	28,292	28,292	0	0	102,026	38,747	34,931	24,392	22,321	14,960	18,859	0	256,236	256,236	-13,704	242,532

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2022-23 to 2027-28

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-22	2022-23 Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	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	2030-31 est for yr and SARP to 3233	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
		(a) £000	(b) £000	(c) £000	(e) £000	(f) £000	(g) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(v) £000	(v) £000	(v) £000	(h) £000	(b)+(g)+(h)=(i) £000	(j) £000	(i) - (j) = (k) £000
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																			
TOTAL		331,944	0	44,510	43,730	0	725	118,833	67,989	43,483	27,642	29,203	16,460	20,859	600	325,069	325,794	-13,733	312,061

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 202

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-22	2022-23 Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	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	Future years est exp	Projected expenditure total
		(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>COMMUNITY DIRECTORATE</b>													
	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-
R-EN12	LED lighting	44		-	44	-	44	-	-	-	-	-	-	44
R-EN14	MILLMEAD HOUSE & FARNHAM ROAD CP - PV	192	155		38	4	38	-					-	192
R-EN15	FARNHAM ROAD CP- PV													
	ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE: GBC 'Invest to Save' energy projects (to be repaid in line with savings)			-	-	-	-	-					-	-
R-EN14	SMP - air source heat pump	28	1	-	27	-	27	-	-	-	-	-	-	28
	<b>ENERGY RESERVES TOTAL</b>	<b>264</b>	<b>155</b>	<b>-</b>	<b>109</b>	<b>4</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264</b>
	<b>FINANCE DIRECTORATE</b>													
	INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually Hardware / software budget	500		303	303	-	303	440	-	-	-	-	440	743
R-IT1	Hardware	annual	annual	-	-	35	-	-	-	-	-	-	-	-
R-IT2	Software	annual	annual	-	-	477	-	-	-	-	-	-	-	-
	ICT Refresh Phase 2			197	197	14	197	60	-	-	-	-	60	257
R-IT3	IDOX Acolaid to Uniform	275		-	275		-	275	-	-	-	-	275	275
R-IT4	LCTS alternative	56		-	56		0	56	-	-	-	-	56	56
	<b>IT RENEWALS RESERVE TOTAL</b>	<b>831</b>	<b>-</b>	<b>500</b>	<b>831</b>	<b>527</b>	<b>500</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>831</b>	<b>1,331</b>
	<b>ENVIRONMENT DIRECTORATE</b>													
	<b>SPECTRUM RESERVE</b>													
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	431	168	263	263	-	-	-					-	168
	Spectrum - Retaining Wall	204	170		34	-	34	-					-	204
	Lido - Drainage Works (moved to Main approved)	-	-		-	-	-	-					-	-
	<b>SPECTRUM RESERVE TOTAL</b>	<b>635</b>	<b>338</b>	<b>263</b>	<b>297</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372</b>
	<b>CAR PARKS RESERVE</b>													
R-CP1 R-CP20	Car parks - install/replace pay-on-foot equipment	1,170	240	-	-	-	-	-	930	-	-	-	930	1,170
	<u>Car Parks - Lighting &amp; Electrical improvements:</u>													
R-CP14	Lift replacement (PR000293)	841	716	-	125	-	125	-	-	-	-	-	-	841
R-CP19	Structural works to MSCP	300	50	250	250	-	100	-	-	-	-	-	-	150
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

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 202

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-22	2022-23		Expenditure at P9	Projected exp est by project officer	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	Future years est exp	Projected expenditure total
				Estimate approved by Council in February	Revised estimate									
				(a)	(b)									
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
R-CP23	Deck surface replacement Leapale Rd(complete)	600	603	15	(3)	-	-	-	-	-	-	-	-	603
R-CP25	Structural repairs roof turret timbers Castle St	210		205	205	-	-	200	10	-	-	-	210	210
	Car Park Lighting	300		300	300	296	300	-					-	300
	<b>CAR PARKS RESERVE TOTAL</b>	<b>4,158</b>	<b>2,135</b>	<b>855</b>	<b>1,088</b>	<b>296</b>	<b>736</b>	<b>200</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,140</b>	<b>4,011</b>
	<b>SPA RESERVE :</b>													
	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	<b>SPA RESERVE TOTAL</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>
	<b>GRAND TOTALS</b>	<b>5,988</b>	<b>2,628</b>	<b>1,618</b>	<b>2,476</b>	<b>827</b>	<b>1,530</b>	<b>1,031</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,971</b>	<b>6,129</b>

FUNDING SUMMARY	
Reserves (various)	
Grants & contributions	
<b>TOTALS</b>	

Estimate approved by Council in February	Revised estimate	Expenditure at P9	Projected exp est by project officer	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
£000	£000	£000	£000	£000	£000	£000	£000	£000
1,618	2,325	827	1,379	1,031	940	-	-	-
-	151	-	151	-	-	-	-	-
<b>1,618</b>	<b>2,476</b>	<b>827</b>	<b>1,530</b>	<b>1,031</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>

**GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2022-23 to 2027-28**

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-22	2021-22	Revised estimate	Expenditure at P9	Projected exp est by project officer	2023-24	2024-25	2025-26	2026-27	2027-28	Future years est exp	Projected expenditure total
				Estimate approved by Council in February				Est for year	Est for year	Est for year	Est for year			
		(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)
		£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>APPROVED SCHEMES (fully funded from S106 contributions)</b>													
	<b>ENVIRONMENT DIRECTORATE</b>													
	<b>Operational Services</b>													
	<b>Parks and Leisure</b>													
S-PL36	Gunpowder mills - signage, access and woodland imps	36	22	9	14	-	0	14	-	-	-	-	14	36
S-PL38	Chantry Wood Campsite	36		36	36	-	-	36	-	-	-	-	36	36
S-PL51	Foxenden Quarry	101	13		87	28	28	59					59	100
S-PL48	Boardwalk Heathfield Nature Reserve	13		13	13	-	-	13					13	13
S-PL49	Waterside Playarea Muti Unit(complete)	30	28		2	2	2	-					-	30
S-PL50	Albury Playground Equip (PC)	23	17		5	-	5	-					-	23
S-PL53	Pirbright (PC) Drainage Works/Playground surfacing	10	11		-	0	0							11
S-PL51	West Horsley PC - Litterbins				1	1	1							1
S-PL52	Kings College Sports Facilities	226			226	226	226							226
	<b>ENVIRONMENT DIRECTORATE TOTAL</b>	<b>475</b>	<b>91</b>	<b>58</b>	<b>385</b>	<b>258</b>	<b>263</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>477</b>
	<b>APPROVED S106 SCHEMES TOTAL</b>	<b>475</b>	<b>91</b>	<b>58</b>	<b>385</b>	<b>258</b>	<b>263</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>477</b>

## GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

<b>1.0 AVAILABILITY OF RESOURCES - NOTES :</b>
1.1 The following balances have been calculated taking account of estimated expenditure on the approved capital schemes
1.2 The actuals for 2021-22 have not been audited.
<b>1.3 Funding assumptions:</b>
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)

	2021-22 Actuals £000	2022-23 Budget £000	2022-23 Est Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Balance as at 1 April	112	0	127	0	0	0	0	0
Add estimated usable receipts in year	984	0	(127)	0	0	21,641	27,117	22,593
Less applied re funding of capital schemes	(969)	0	(0)	0	0	(21,641)	(27,117)	(22,593)
<b>Balance after funding capital expenditure as at 31 March</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

### 3.0 Capital expenditure and funding - summary

	2021-22 Actuals £000	2022-23 Budget £000	2022-23 Est Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
<u>Estimated capital expenditure</u>								
Main programme - approved	38,096	107,404	58,822	74,886	2,833	2,000	2,000	2,000
Main programme - provisional s106	0	44,510	725	118,833	67,989	43,483	27,642	29,203
Reserves	72	58	263	122	0	0	0	0
GF Housing	1,609	1,618	1,530	1,031	940	0	0	0
<b>Total estimated capital expenditure</b>	<b>39,777</b>	<b>153,590</b>	<b>61,340</b>	<b>194,872</b>	<b>71,762</b>	<b>45,483</b>	<b>29,642</b>	<b>31,203</b>
<b>To be funded by:</b>								
Capital receipts (per 2.above)	(969)	0	(0)	0	0	(21,641)	(27,117)	(22,593)
Contributions	(12,936)	(47,472)	(19,758)	(46,336)	(4,589)	(1,020)	0	0
<u>R.C.C.O. :</u>								
Other reserves	(1,609)	(1,838)	(2,979)	(1,131)	(1,160)	(220)	0	0
	0	0	0	0	0	0	0	0
	(15,513)	(49,310)	(22,737)	(47,467)	(5,749)	(22,881)	(27,117)	(22,593)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(24,264)	(104,280)	(38,603)	(147,405)	(66,013)	(22,602)	(2,525)	(8,610)

**Total funding required**

<b>(39,777)</b>	<b>(153,590)</b>	<b>(61,340)</b>	<b>(194,872)</b>	<b>(71,762)</b>	<b>(45,483)</b>	<b>(29,642)</b>	<b>(31,203)</b>
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**4.0 General Fund Capital Schemes Reserve (U01030)**

	<b>2021-22 Actuals £000</b>	<b>2022-23 Budget £000</b>	<b>2022-23 Est Outturn £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
Balance as at 1 April	0	0	0	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	0	0	0	0	0	0	0	0
<b>Balance after funding capital expenditure etc.as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Estimated shortfall at year-end to be funded from borrowing**

<b>24,264</b>	<b>104,280</b>	<b>38,603</b>	<b>147,405</b>	<b>66,013</b>	<b>22,602</b>	<b>2,525</b>	<b>8,610</b>
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**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)  
 Add: Estimated receipts in year  
 Less: Applied re Housing (General Fund) capital programme  
 Less: Applied re Housing company  
  
 Less: Applied on regeneration schemes  
**Housing receipts - estimated balance in hand at year end**

	<b>2021-22 Actuals £000</b>	<b>2022-23 Budget £000</b>	<b>2022-23 Est Outturn £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
Balance as at 1 April (T01008)	0	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	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
<b>Housing receipts - estimated balance in hand at year end</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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)  
 Add: Estimated receipts in year  
 Less: Applied re Housing (General Fund) capital programme  
 Less: Applied re Housing Improvement programme  
  
 Less: Applied on regeneration schemes  
**Housing receipts - estimated balance in hand**

	<b>2021-22 Actuals £000</b>	<b>2022-23 Budget £000</b>	<b>2022-23 Est Outturn £000</b>	<b>2023-24 Estimate £000</b>	<b>2024-25 Estimate £000</b>	<b>2025-26 Estimate £000</b>	<b>2026-27 Estimate £000</b>	<b>2027-28 Estimate £000</b>
Balance as at 1 April (T01012)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	802	289	0	289	292	295	298	301
Less: Applied re Housing (General Fund) capital programme	(752)	(220)	(100)	(100)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(50)	(69)	100	(189)	(72)	(75)	(78)	(81)
	0	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
<b>Housing receipts - estimated balance in hand</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Total £'000s**

**6.1 Estimated annual borrowing requirement**

<b>24,264</b>	<b>104,280</b>	<b>38,603</b>	<b>147,405</b>	<b>66,013</b>	<b>22,602</b>	<b>2,525</b>	<b>8,610</b>	<b>285,758</b>
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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA APPROVED PROGRAMME

Project Budget	2021-22 Actual	Project Spend at 31-03-22	2022-23 Estimate	Carry Forward	2022-23 Revised Estimate	Expenditure as at P9	2022-23 Projected Outturn	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	Total Project Exp	
£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Acquisition of Land &amp; Buildings</b>	22,900	6,804	14,218		4,800	(118)	4,682	2,184	4,682	4,000	0	0	0	22,900
<b>New Build</b>														
Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	378	3,526	1,100	608	1,708	1,226	1,890	1,084	0	0	0	0	6,500
Bright Hill	500	17	17	463	20	483	45	60	423	0	0	0	0	500
Foxburrows Redevelopment	10,657			9,591	0	9,591	0	0	9,591	1,066				10,657
Shawfield Redevelopment	300			296	0	296	0	0	296					300
Various small sites & feasibility/Site preparation	1,000			0	0	0	0	0	0	1,000	0	0	0	1,000
Pipeline projects:	9,425		115	0	100	100	0	0	3,422	5,381	0	0	0	9,425
Manor House Flats		42	42	1,530		1,530	18	144						
Banders Rise		1	1	130		130	4	30						
Station Road East		2	2	112		112	4	30						
Dunmore Garden Land		1	1	159		159	4	24						
Clover Road Garages		46	46	1,032		1,032	9	42						
Rapleys Field		18	18	415		415	10	40						
Georgelands 108		1	1	118		118	4	17						
27 Broomfield		4	4	109		109	4	30						
17 Wharf Lane		4	4	104		104	4	30						
Development Projects	7,100			7,100		7,100	0	0	7,100					7,100
<b>Schemes to promote Home-Ownership</b>														
Equity Share Re-purchases	annual	458	annual	400	0	400	0	400	400	400	400	0	0	annual
<b>Major Repairs &amp; Improvements</b>				24,500	0	24,500	0	0						
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	971	annual				3,724	6,000						annual
Doors and Windows	annual	241	annual				237	3,200						annual
Structural/Roof	annual	307	annual				709	3,800						annual
Energy efficiency: Central heating/Lighting	annual	1,262	annual				1,155	1,800						annual
General	annual	880	annual				7,372	9,700						annual
ICT - Housing Management System	950			950		950		950	950	0				1,900
<b>Grants</b>														
Cash Incentive Scheme	annual	0	annual	0	0	0	0	0						annual
<b>TOTAL APPROVED SCHEMES</b>	<b>59,407</b>	<b>11,438</b>	<b>18,074</b>	<b>52,909</b>	<b>610</b>	<b>53,519</b>	<b>16,713</b>	<b>32,869</b>	<b>27,266</b>	<b>7,847</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>60,356</b>

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2021-22 Actual £000	Project Spend at 31-03-22 £000	2022-23 Estimate £000	Carry Forward	2022-23 Revised Estimate	2022-23 Projected Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	Total Project Exp £000
<b>New Build</b>													
Guildford Park	16,000	0	1,225	26	0	26	0	0	0	14,775	0	0	16,000
Guildford Park (from GF)	23,125	0	0	0	0	0	0	1,173	13,749	8,203	0	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	5,680	7,000	820	0	0	13,500
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	1,000	0	1,000	0	0	0	5,000	44,000	0	49,000
Shawfield Redevelopment	3,000	0	0	2,500	0	2,500	0	500	0	0	0	0	500
<b>Major Repairs &amp; Improvements</b>													
Major Repairs & Improvements	annual		annual	0	0	0	0	5,500	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual										annual
Modern Homes: Kitchens and bathrooms	annual		annual										annual
Doors and Windows	annual		annual										annual
Structural	annual		annual										annual
Energy efficiency: Central heating	annual		annual										annual
General	annual		annual										annual
<b>Grants</b>													
Cash Incentive Scheme	annual		annual	75		75	75	75	75	75	75	75	annual
<b>Total Expenditure to be financed</b>	<b>108,625</b>	<b>0</b>	<b>1,225</b>	<b>7,281</b>	<b>0</b>	<b>7,281</b>	<b>75</b>	<b>15,928</b>	<b>26,324</b>	<b>34,373</b>	<b>49,575</b>	<b>5,575</b>	<b>105,125</b>

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA RESOURCES AND FUNDING STATEMENT**

	2021-22 Actual £000	2022-23 Estimate £000	2022-23 Projected Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
<b>EXPENDITURE</b>								
Approved programme	15,739	52,909	32,869	27,266	7,847	400	0	0
Provisional programme	0	7,281	75	15,928	26,324	34,373	49,575	5,575
<b>Total Expenditure</b>	<b>15,739</b>	<b>60,190</b>	<b>32,944</b>	<b>43,194</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>FINANCING OF PROGRAMME</b>								
Capital Receipts	752	400	400	400	400	400	0	0
1-4-1 receipts	2,980	8,140	2,808	8,094	3,030	3,121	3,213	0
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	11,547	11,547	6,414	8,248	8,398	14,387	0
Major Repairs Reserve	8,153	13,903	13,903	6,450	5,500	5,500	5,500	5,500
New Build Reserve	3,824	26,125	4,211	21,761	16,918	17,279	26,400	0
Grants and Contributions	30	0	0	0	0	0	0	0
<b>Total Financing (= Total Expenditure)</b>	<b>15,739</b>	<b>60,190</b>	<b>32,944</b>	<b>43,194</b>	<b>34,171</b>	<b>34,773</b>	<b>49,575</b>	<b>5,575</b>
<b>RESERVES - BALANCES</b>								
	2021-22 Actual £000	2022-23 Estimate £000	2022-23 Projected Outturn £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
<b>Reserve for Future Capital Programme (U01035) Ju</b>								
Balance b/f	38,329	40,829	40,829	31,782	27,868	22,120	16,222	4,335
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	-11,547	-11,547	-6,414	-8,248	-8,398	-14,387	
Balance c/f	<b>40,829</b>	<b>31,782</b>	<b>31,782</b>	<b>27,868</b>	<b>22,120</b>	<b>16,222</b>	<b>4,335</b>	<b>6,835</b>
<b>Major Repairs Reserve (U01036)</b>								
Balance b/f	11,876	8,378	9,588	1,210	285	285	285	285
Contribution in year	5,865	5,525	5,525	5,525	5,500	5,500	5,500	5,500
Used in Year	-8,153	-13,903	-13,903	-6,450	-5,500	-5,500	-5,500	-5,500
Balance c/f	<b>9,588</b>	<b>0</b>	<b>1,210</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>
<b>New Build Reserve (U01069)</b>								
Balance b/f	59,383	62,477	63,398	66,261	52,882	44,515	35,958	18,454
Contribution in year	7,839	8,383	7,074	8,383	8,551	8,722	8,896	9,074
Used in Year	-3,824	-26,125	-4,211	-21,761	-16,918	-17,279	-26,400	0
Balance c/f	<b>63,398</b>	<b>44,735</b>	<b>66,261</b>	<b>52,882</b>	<b>44,515</b>	<b>35,958</b>	<b>18,454</b>	<b>27,528</b>
<b>Usable Capital Receipts: 1-4-1 receipts (T01011)</b>								

**GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2022-23 to 2027-28: HRA RESOURCES AND FUNDING STATEMENT**

	<b>2021-22 Actual</b>	<b>2022-23 Estimate</b>	<b>2022-23 Projected Outturn</b>	<b>2023-24 Estimate</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>	<b>2027-28 Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance b/f	4,526	5,412	5,226	5,630	413	465	518	573
Contribution in year	3,680	2,728	3,211	2,876	3,083	3,174	3,268	3,334
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,980	-8,140	-2,808	-8,094	-3,030	-3,121	-3,213	
Balance c/f	<b>5,226</b>	<b>0</b>	<b>5,630</b>	<b>413</b>	<b>465</b>	<b>518</b>	<b>573</b>	<b>3,907</b>

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	4,262	4,308	5,280	6,123	6,845	7,629	8,439	9,274
Contribution in year	1,017	661	843	722	784	810	836	862
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	<b>5,280</b>	<b>4,969</b>	<b>6,123</b>	<b>6,845</b>	<b>7,629</b>	<b>8,439</b>	<b>9,274</b>	<b>10,137</b>

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	0	0	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)	0	0	0	0	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	50	348	360	371	383	395
Contribution in year	802	289	298	301	304	307	310	313
Used in Year (HRA = above)	-752	-69	0	-189	-72	-75	-78	-78
Used in Year (GF Housing)	0	-220	0	-100	-220	-220	-220	-220
Balance c/f	<b>50</b>	<b>0</b>	<b>348</b>	<b>360</b>	<b>371</b>	<b>383</b>	<b>395</b>	<b>410</b>

Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by the Government

## Treasury management policy statement

### Background

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

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

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

### CIPFA requirement

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

1. The Council defines its treasury management activities are:

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

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

### The Council's requirements

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

Agenda item number: 6  
Appendix 4

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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# Economic and Interest Rate Forecast

## 19<sup>th</sup> December 2022

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power - recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

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

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

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### Credit Rating Equivalents and Definitions

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



**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.

**Treasury net** – 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)

Executive Report

Ward(s) affected: N/A

Report of Strategic Director: Transformation and Governance

Author: Peter Vickers, Victoria Worsfold and Matt Gough

Tel: 01483 444827 / 01483 444772

Lead Councillors responsible: Julia McShane and Joss Bigmore

Tel: 07435 304505 / 07974 979369

Email: [julia.mcshane@guildford.gov.uk](mailto:julia.mcshane@guildford.gov.uk) and [joss.bigmore@guildford.gov.uk](mailto:joss.bigmore@guildford.gov.uk)

Date: 26 January 2023

## **Housing Revenue Account (HRA) Budget 2023-24**

### **Executive Summary**

The Council owns and manages over 5,200 Council Houses which it rents to tenants who qualify for social housing or for which it holds the freehold. 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 residents 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 2023-24, which has been built on the estimates and assumptions in the updated 2023 HRA Business Plan. 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 wider operating environment.

The Direction on the Rent Standard 2019 required the Regulator of Social Housing to set a rent standard for social housing which came into effect from 2020, which would have been CPI +1% from the preceding September rate. This would have resulted in a rent cap of 11.1%. However, a new Direction was issued on 12 December 2022 which is that rents should be capped at 7%.

It is proposed that rather than adopting the directed cap, the Council will adopt a 5% rent cap, which will mean that, on average, households in a 1 bed roomed property will save £8.84 a month compared to the Government cap, and £10.22 for those in a 2 bed and £11.70 for those in a 3 bed roomed property. This below cap level is a recognition of the challenging wider climate faced by residents and has been achievable due to the ongoing prudential management of the overall HRA Account to provide households with some additional assistance at this time.

For those in shared ownership, the Government has not introduced a cap and so rent increases could be set at up to 11.1%; however, the Council is proposing to cap these rents in line with rented homes at 5%.

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 sufficient monies are available, the repayment of debt taken on under HRA self-financing.

The 30-year business plan 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 plan period and still leave a healthy reserve balance at the end of the 30 years for further investment not yet identified. There are further expected investment needs that are to be fully developed in order to meet carbon targets and expected regulatory changes, and work on these continues. They are not fully reflected within the current plan, but they will be considered in future reviews.

This report will be considered by the Joint Executive Advisory Board at its meeting on 24 January and comments and recommendations from that meeting will be reported in the Supplementary Information Sheet.

**Recommendation to Council (8 February 2023):**

- (1) That the proposed HRA revenue budget for 2023-24, as set out in Appendix 1 to this report, be approved.
- (2) That a rent increase of 5%, be implemented.
- (3) That the fees and charges for HRA services for 2023-24, 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 2023-24 draft budget and makes recommendations to the Council on the Housing Revenue Account (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.

## 4. Budget and Business Plan Priorities

- 4.1 The budget and Business Plan have been prepared having consideration to four main themes:
- *A safe place to live* – Investment in our housing stock to meet and exceed fire and building safety standards including new fire detection and protection works, upgrading and replacing electrical installations, new fire doors, replacing lifts
  - *Environmental and Energy Efficiency* – Improving energy efficiency with new doors, windows, insulation, heating and hot water systems. Rolling out a programme of environmental improvements to our estates and communities including landscaping, parking with increased inspection and investment.
  - *Availability and suitability* – Providing a range of housing that helps meet the needs of the community, including supported and sheltered housing, additional homes through regeneration, purchase and development.
  - *Customer Service and Accessibility* – Improving choices, information and communication with residents, with enhanced contact handling, monitoring and feedback. Targeted support for vulnerable tenants, specifically those struggling with maintaining their tenancies, hoarding, debt and benefits. Expanding opportunities for residents to influence and be involved in services through widening opportunities for feedback and engagement for more tenants.

- 4.2 These priorities have been developed having consideration to the Government's White Paper, changes in the regulatory and legal framework within which the service operates, and the Council's overall objectives.

## **5. Housing Revenue Account Business Plan**

- 5.1 The objective of the Business Plan is to optimise HRA resources to ensure quality, suitable accommodation for residents, stock growth 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.
- 5.2 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.
- 5.3 The Plan is based on stock condition data and the regulatory framework in which the Council operates as a social landlord. It also considers the Government's White Paper "*The Charter for Social Housing Residents*" which sets out key areas of service and involvement that every social housing tenant should expect.
- 5.4 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 provide increased opportunities for residents to become involved. It also looks to enhance the communal areas, open and green spaces within the estate.
- 5.5 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.

## **6. Potential Pressures**

- 6.1 Nationally, since the self-financing arrangements were established, the economic and fiscal environment has been generally favourable to the HRA. This has, however, changed dramatically with the combined impact of the Pandemic, the war in Ukraine, increases in energy costs, increasing safety requirements, the current cost of living crisis, the increased levels of inflation, coupled with increased inflation rates. Together these and other factors have created unprecedented pressures, risks and uncertainty that impact upon the Council's ability to undertake medium term financial planning, particularly when the planning horizon for the HRA Business Plan is 30 years.
- 6.2 These factors, combined with the Council's continued aspirations for its housing stock and its management, have been taken into consideration when setting the HRA Budget for 2023-24 and the HRA Business Plan.



- 6.3 The Council does not operate as a commercial landlord with clear obligations and duties as a social landlord. This means that many of our residents are supported by other agencies and organisations. As a result of this, wider pressures on social and healthcare services mean that residents are experiencing challenges in accessing services, and some provision has become difficult to access. Consequently, the complexity and cost of managing tenancies and providing services is seeing continued pressure as we are forced to deal with situations we are less well equipped to manage.
- 6.4 The economic situation continues to have an impact and despite government support, there is an increased demand for social housing, which puts pressure on our limited resources and time in responding to this new demand.
- 6.5 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 continued investment in the capital programme for major works to the existing stock, with work covering fire safety and precautions delivered in partnership with Surrey Fire and Rescue.
- 6.6 The funding framework available to meet the cost of supported housing remains fragile. Last year we received just £210,276 in Supporting People Grant funding.
- 6.7 The Council's duties to provide support and assistance with housing to residents is resulting in an ongoing 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.
- 6.8 The wider social housing sector continues to become 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.
- 6.9 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.
- 6.10 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.

- 6.11 The last few 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 continues with the work started last year to help redress that issue.

## **7. Preparation of the revenue and capital programme budgets for 2023-24**

- 7.1 The 2023-24 budgets have been prepared having regard to the recent policy announcements and the impact they might have. At the same time, we are conscious of various cost pressures along with the implications of our debt financing profile.

- 7.2 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 and the developing asset management framework for our housing stock.

- 7.3 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.
- Increasing use of IT, remote working, and virtual meetings continues where appropriate, and are delivering benefits for the service.
- 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 systems that deal with housing and asset management over the medium-term period.

## **8. HRA Revenue Budget 2023 - 24**

### **Assumptions**

- 8.1 The total HRA debt stands at £152 million. It is projected that the interest charge for 2023-24 will be £4.7 million. No provision is included in the budget for the repayment of debt during 2023-24 in line with the overall HRA business plan strategy that building homes rather than debt repayment is the priority.

- 8.2 The revenue budget for 2023-24 is predicated around a number of key assumptions. The most important of which are set out in the table below:

Item	Assumption
Opening stock	5,211 units of accommodation
HRA Debt	£142 million
Average cost of capital for 2023-24	2.60%
September CPI	10.1%
Recommended Rent increase	5%
Shared Ownership rent increase	5%
Garage rent increase	3%
Bad debt provision 2023-24 2%	£674,730
Void rate	0.50%
#Service charge increases	Linked to contractual arrangements with suppliers for utilities, otherwise subject to 3% increase
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

- 8.3 The proposed budget set out in Appendix 1 is based on a 52-week rent year.
- 8.4 Rents will increase by 5%, which is below the level specified within the Rent Standard and the Secretary of State's Direction in 2023-24.

### **Summary of Revenue Account Budget 2023-24**

- 8.5 The table below summarises the proposed 2023-24 revenue budget, which reflects our current Treasury Management Strategy – in effect an interest only mortgage rather than a repayment mortgage. The timing of debt repayment will largely be a treasury management decision aligned to the overarching objectives of the HRA Business Plan.

<b>Gross Expenditure alternatively analysed as:</b>	<b>£000</b>
Management and maintenance	14,237
Depreciation	5,864
Other	2,091
Interest payable	4,751
Transfer to reserves	11,393
	<hr/>
	38,336

<b>Received From:</b>	<b>£000</b>
Council House Rents	33,140
Interest receivable	1 593
Rent income	1,327
Fees, charges and miscellaneous income	2,277
	<hr/>
	38,336

- 8.6 Based on the assumptions as contained in paragraph 8.2 and as summarised in paragraph 7.5 above it is estimated that the HRA will have an operating surplus of £11.393 million for 2023-24 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**

- 8.7 Expenditure details are set out within Appendix 1, but additional information and background is set out below.
- 8.8 **General Management:** Budgeted expenditure on delivering continuing HRA services has increased 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 key areas and 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, including Discretionary Housing Benefit top up.
  - Broaden opportunities for resident engagement and involvement
  - Increase in capacity to ensure compliance with evolving regulatory and compliance framework
  - Improving choices, information and communication with residents, with enhanced contact handling, monitoring and feedback.

- Expanded building safety and compliance roles to meet current and planned legislative and regulatory changes
- Improved estate management with improvements to landscaping, paved and communal areas.
- Increase in capacity to deliver both additional housing and also the redevelopment of existing properties

8.9 **Repairs and maintenance:** This budget covers a wide range of work including minor adaptations, day to day repairs across all housing types along with cyclical works. An increase in planned repairs and maintenance expenditure is proposed to continue the work to catch up works which have not been able to be undertaken due to the pandemic or where new standards and requirements are in place. It also reflects increasing contractor and material costs.

8.10 **Interest payable:** The whole portfolio is at a fixed rate from PWLB, with varying maturity dates. The table below sets out our current loan portfolio, after recent renegotiations, with a bullet payment option or renegotiate at the end of their various terms.

<b>Maturity</b>	<b>Principal</b>	<b>Proportion</b>	<b>Type</b>
>10 - 15yrs	£65,000,000	44%	Fixed
>15 - 25yrs	£50,000,000	34%	Fixed
>25 - 35yrs	£32,435,000	22%	Fixed
	<b>£147,435,000</b>		

8.11 **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.

8.12 The depreciation charge is one of the key mechanisms we use to do this. The proposed 2023-24 charge represents, in officers' view, a realistic amount having regard to the outcome of the stock condition survey. A charge of £5.864 million is considered both appropriate and affordable.

### **Income**

8.13. Income details are set out within Appendix 1, but additional information and background is set out below.

### **Rent Increase**

8.14 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.

8.15 This framework meant that as a landlord the Council would be able to increase rents by CPI +1% and the Business Plan was developed having reference to this.

However, it was announced as part of the Autumn Statement that rent increases would now be capped at 7%. As most tenants are in receipt of benefits this will not directly benefit most tenants, but it will generate a saving for the Department for Work and Pensions.

- 8.16 The Local Government Association and National Housing Federation have called for a more targeted approach to support households with increasing costs, but this has not been adopted by the Government. The proposed cap will mean that the sustainability of the Business Plan is affected due to the future effect of the cap which it is not possible to make up due to the current finance model.
- 8.17 It is proposed that rather than adopting the directed cap, the Council will adopt a 5% rent cap, which will mean that on average households in a 1 bedroomed property will save £8.84 a month compared to the Government cap, and £10.22 for those in a 2 bed and £11.70 for those in a 3 bedroomed property. This below cap level is a recognition of the challenging wider climate faced by residents and has been achievable due to the ongoing prudential management of the overall HRA Account to provide households with some additional assistance at this time.
- 8.18 For those in shared ownership the Government has not introduced a cap and so rent increases are permitted to increase by a maximum of Retail Prices Index (RPI) for a given month plus 0.5%. In October, the RPI was 14.2%. This means that the rent element could increase by as much as 14.7% in 2023/24. This particularly high increase would come at a time when shared owners will also be facing other pressures on their household finances. In response, the Council is proposing to cap these rents in line with other rented homes at 5%.
- 8.19 Currently just over 60% of Council tenants are in receipt of either Housing Benefit or Universal Credit and will have their rent covered in full by these benefits, whilst just under 40% may 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.
- 8.20 More than 97% of tenants are on social rents and the average expected change to their weekly rent on average will be £5.10 for those in a 1 bedroomed property, £5.90 for those in 2 bed and £6.75 for those in 3 bedroomed properties. Based on the proposed 5% rent increase, this will give an estimated income of £33,064,676 for the coming year.
- 8.21 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 Universal Credit, and they make up more than 65% of arrears although again in most instances these arrears are at relatively low levels with just 15 accounts with arrears in excess of £2,000.
- 8.22 A provision for bad debt charge of £674,730 is included in the estimates. This charge will remain under review, but it is considered appropriate - it represents 2%

of the annual tenanted income. In addition to which additional provision is being made to provide two dedicated Housing, Money, and Benefits Advisers to support tenants with their financial situation at this challenging time. There will also continue to be assistance available through Discretionary Benefit along with a dedicated HRA top facility.

**9. Right to Buy sales (RTB)**

9.1 RTB activity remained steady during 2022-23, and the Council has in place a formal agreement with the Government regarding the use of the capital receipts arising from the sale of Right to Buy properties.

9.2 The table below outlines activity as at December 2022.

<b>Activity</b>	<b>Number</b>
Properties sold since 1 April 2022	15
Applications being processed	32

9.3 Under the agreement, receipts will be accounted for annually rather than quarterly and the Council is able to fund up to 40% of additional social housing from the receipts. The time limit for using the funds is now 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 a 3-year period. 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.

9.4 On current levels of activity, we project a loss of units to be in the region of 15-25 per year. Our new build and property acquisition programme is helping to mitigate 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.

9.5 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.

**10. HRA Capital Programme and Reserves**

10.1 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:

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- 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.
- 10.2 Key issues that have been considered as part of the overall development of the budget have included changing wider economic position, continuing to work through the impact of Covid and the suspension of capital programmes etc. In order to continue to meet targets for these planned programmes we continue with the catch-up work which was started in the last financial year in order to ensure we remain on track with maintaining existing homes.
- 10.3 In addition to these areas and with additional background and detail being provided within the Capital and Investment Strategy we continue to invest in properties to ensure the safety of residents and this approach is now being influenced by the new and developing fire and building safety legislation, guidance and good practice.
- 10.4 The Council has developed its approach to ensure ongoing compliance with the changing requirements and relevant standards and all Fire Risk Assessments have been reviewed and the new work plan that has resulted from this will continue to be delivered through this programme. The risk assessments reflect both changing legislation and good practice that has developed and continues to develop over the last few years.
- 10.5 This additional investment represents the Council's continued commitment to ensure 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.
- 10.6 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.
- 10.7 Our investment in improving the energy efficiency of properties continues with new heating systems, low energy lighting, insulation and new door and windows. Whilst provision has been included to improve the energy efficiency new technology continues to be developed, in many instances the cost of this technology remains high although it is reducing.
- 10.8 In order to reduce carbon emissions and improve energy efficiency work is underway to develop a programme of work that will allow the Council to move towards meeting its targets in coming years but also having consideration to expected predicted cost and the availability of suitable technology. Once completed this work will then be integrated into the future HRA Business Plan. This is, however, a complex and challenging area, and there is no one size fits all approach. National research by the Building Research Establishment estimates that it will cost between £3,000 and £70,000 to make a property zero carbon, with an average of more than £20,000 needed for each property. Whilst some provision has been made within the plan, the way in which targets will be met and the cost of this work has yet



to be established. In addition to which there is a need to consider the impact of such a wide-ranging plan on residents.

10.9 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

10.10 The HRA has built up significant revenue reserves and, as at 31 March 2023, are estimated to be in the region of £112 million. 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 and also in anticipation of future requirements. The HRA also has usable capital receipts, generated from the sale of HRA land and housing assets.

10.11 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.

Yr Ended 30/03	Reserve For Future Capital Work	Major Repairs Reserve	New Build Reserve	TOTAL	Usable Cap Rec	141	HRA Debt Mgt	Total Cap Rec	Total Rec
2021/22	40,829	9,588	63,398	<b>113,815</b>	50	5,226	5,280	<b>10,556</b>	<b>124,371</b>
2022/23	31,872	1,210	66,261	<b>99,343</b>	348	6,465	6,023	<b>12,836</b>	<b>112,179</b>
2023/24	27,868	285	52,882	<b>81,035</b>	360	1,178	6,745	<b>8,283</b>	<b>89,318</b>

10.12 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

10.13 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 the plan shows there will still be substantial reserves available for further investment and also to support the Council's net zero target 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.

- 10.14 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 sites<sup>1</sup>.
- 10.15 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.
- 10.16 **Development Projects:** An update of our current development projects shall be provided during the year.
- 10.17 **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.

## **11. Robustness of the Budget and Adequacy of Reserves**

- 11.1 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.
- 11.2 Paragraph 8.2 above details the assumptions used in the preparation of the 2023-24 budget.
- 11.3 Staffing costs have been included based on the Full Time Equivalent (FTEs) included in the approved establishment of 62.5
- 11.4 Throughout the budget process, the Corporate Management Board, the Leader and relevant lead councillors have been involved in what is considered to be a deliverable budget.
- 11.5 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 2023-24 budget includes a bad debt provision of £647,730. This provision reflects the economic climate and continuing welfare reform changes. The level of operating balance remains unchanged at £2.5 million.
- 11.6 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.

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

- 11.7 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 balance tenants' needs and expectations in the context of its financial situation.
- 11.8 The housing related reserves are adequately funded and are projected to be around £112 million as at April 2023. The HRA reserves shall be engaged on value adding expenditure to maintain earnings growth and business stability.

## **12. Consultation**

- 12.1 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.
- 12.2 All tenants will be notified of changes to their rent and service charges in February/ March 2023.

## **13. Legal Implications**

- 13.1 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.
- 13.2 Notices of any increase in rent have to be sent to tenants 28 days in advance of the new charges coming into effect.

## **14. Human Resource Implications**

- 14.1 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.

## **15. Conclusion**

- 15.1 The proposed HRA revenue budget not only meets our obligation to deliver a balanced budget but also delivers opportunities to improve services to tenants, deliver additional affordable homes and ensures that the housing stock meets the relevant health and safety standards, whilst recognising the challenges of the wider environment at a time when living costs are increasing and will support tenants at this time.
- 15.2 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.

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**16. Background Papers**

None.

**17. Appendices**

Appendix 1: HRA Revenue Budget 2023-24

Appendix 2: HRA Fees and Charges 2023-24

**HOUSING REVENUE ACCOUNT 2023-24 - BUDGET SUMMARY**

2020-21 Actual £	2021-22 Actual £	Analysis	2022-23 Estimate £	2022-23 Projection £	2023-24 Estimate £
		<b>Borough Housing Services</b>			
727,467	574,282	Income Collection	661,144	661,144	677,841
1,158,150	1,440,296	Tenants Services	1,321,575	1,361,575	2,390,850
125,133	92,308	Tenant Participation	167,560	167,560	171,820
98,978	82,931	Garage Management	103,626	103,626	104,797
20,474	18,987	Elderly Persons Dwellings	48,243	49,243	48,921
354,387	208,355	Flats Communal Services	490,269	496,269	502,274
452,607	405,736	Environmental Works to Estates	454,677	454,677	457,768
6,000,709	5,673,874	Responsive & Planned Maintenance	6,304,026	6,500,000	6,684,239
107,084	145,593	SOCH & Equity Share Administration	166,571	166,571	170,376
<b>9,044,988</b>	<b>8,642,362</b>		<b>9,717,692</b>	<b>9,960,666</b>	<b>11,208,886</b>
		<b>Strategic Housing Services</b>			
459,797	676,747	Advice, Registers & Tenant Selection	746,257	746,257	765,223
187,927	164,444	Void Property Management & Lettings	245,019	245,019	250,661
(61,131)	5,120	Homelessness Hostels	5,252	5,252	0
167,083	186,518	Supported Housing Management	167,927	167,927	172,513
484,040	353,576	Strategic Support to the HRA	982,106	982,106	625,443
<b>1,237,716</b>	<b>1,386,405</b>		<b>2,146,560</b>	<b>2,146,560</b>	<b>2,175,754</b>
		<b>Community Services</b>			
828,759	873,238	Sheltered Housing	829,236	1,381,236	852,211
		<b>Other Items</b>			
5,686,291	5,864,693	Depreciation	5,525,000	5,525,000	5,864,700
(174,584)	(1,174,479)	Revaluation	0	0	0
95,804	163,085	Other capital items			
217,061	227,460	Debt Management	150,000	150,000	158,711
5,985	1,016,671	Other Items	411,048	411,048	419,597
<b>16,942,018</b>	<b>16,999,435</b>	<b>Total Expenditure</b>	<b>18,779,536</b>	<b>19,574,510</b>	<b>20,679,859</b>
(32,295,620)	(32,907,980)	Income	(34,999,509)	(34,999,509)	(36,743,880)
<b>(15,353,601)</b>	<b>(15,908,544)</b>	<b>Net Cost of Services(per inc &amp; exp a/c)</b>	<b>(16,219,973)</b>	<b>(15,424,999)</b>	<b>(16,064,021)</b>
284,690	297,990	HRA share of CDC	1,275,453	1,275,453	1,437,930
<b>(15,068,911)</b>	<b>(15,610,554)</b>	<b>Net Cost of HRA Services</b>	<b>(14,944,520)</b>	<b>(14,149,546)</b>	<b>(14,626,091)</b>
(11,546)	(105,900)	Investment Income	(53,930)	(200,000)	(1,593,180)
4,902,208	4,879,544	Interest Payable	5,052,225	4,767,723	4,751,225
<b>(10,178,248)</b>	<b>(10,836,911)</b>	<b>Deficit for Year on HRA Services</b>	<b>(9,946,225)</b>	<b>(9,581,823)</b>	<b>(11,468,046)</b>
0	0	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
8,088,687	7,839,606	Contrib to/(Use of) New Build Reserve	7,371,225	7,006,823	8,893,046
(473,168)	(510,826)	Tfr (fr) to Pensions Reserve	0	0	0
0	0	Tfr (from)/to CAA re: Voluntary Revenue Provision	0	0	0
143,347	1,147,655	Tfr (from)/to CAA re: Revaluation	0	0	0
(64,567)	(136,260)	Tfr (from)/to CAA re: REFCUS	0	0	0
0	0	Tfr (from)/to CAA re: Intangible assets	0	0	0
(16,050)	(3,263)	Tfr (from)/to CAA re: rev. inc. from sale of asset	0	0	0
0	0	<b>HRA Balance</b>	0	0	0
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>Balance Carried Forward</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>	<b>(2,500,000)</b>
2020-21 Actual £	2021-22 Actual £	Analysis	2022-23 Estimate £	2022-23 Projection £	2023-24 Estimate £
		<b>Borough Housing Services</b>			
(30,507,420)	(30,507,420)	Rent Income - Dwellings	(31,607,818)	(31,607,818)	(33,064,676)
(212,100)	(67,576)	Rent Income - Rosebery Hsg Assoc	(68,759)	(68,759)	(74,929)
(322,533)	(465,543)	Rents - Shops, Buildings etc	(473,690)	(473,690)	(516,200)
(785,571)	(745,713)	Rents - Garages	(758,762)	(758,762)	(811,106)
<b>(31,827,625)</b>	<b>(31,786,252)</b>	<b>Total Rent Income</b>	<b>(32,909,029)</b>	<b>(32,909,029)</b>	<b>(34,466,911)</b>
(144,180)	(206,660)	Supporting People Grant	(210,276)	(210,276)	(229,147)
(1,136,108)	(1,128,443)	Service Charges	(1,148,191)	(1,148,191)	(1,251,233)
(28,840)	46	Legal Fees Recovered	47	47	51
(58,769)	(258,136)	Service Charges Recovered	(262,653)	(262,653)	(286,224)
(537,015)	(461,333)	Miscellaneous Income	(469,407)	(469,407)	(510,415)
<b>(33,732,537)</b>	<b>(33,840,778)</b>	<b>Total Income</b>	<b>(34,999,509)</b>	<b>(34,999,509)</b>	<b>(36,743,880)</b>

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**Housing Revenue Account - Fees and Charges 2023-24**

		2022-2023 £ From 1 April 2022	2023-24 £ From 1 April 2023	Change %
<b>To be approved by Council</b>				
<b>Sheltered Units</b>				
<u>Function Room Hire</u>				
Voluntary /Charity Organisations	Per Hour	15.64	16.11	3.0%
	Per Day	77.61	79.94	3.0%
<u>Education/Social Services</u>				
	Per Hour	18.56	19.12	3.0%
	Per Day	115.85	119.33	3.0%
<u>Social/Private Hire</u>				
	Per Hour	23.34	24.04	3.0%
	Per day	124.57	128.31	3.0%
<u>Service charge (per week):</u>				
Dray Court		70.04	72.14	3.0%
Japonica Court		75.1	77.35	3.0%
St Martha's Court		75.5	77.77	3.0%
Millmead Court		63.88	65.80	3.0%
St Martin's Court		72.31	74.48	3.0%
Tarragon Court		64.57	66.51	3.0%
<b>Friary House (61 flats)</b>				
Heating, Electricity, Cleaning, Caretaking and Security Services (per wk) *Based on actuals		16.9	17.00	
<b>Garages (on Housing Estates) (VAT is applied at the standard rate on private lets only)</b>				
High demand area (non residents) (per week)		21.49	22.13	3.0%
High demand area (per week)		13.07	13.46	3.0%
Elsewhere (per week)		10.74	11.06	3.0%
<b>Castle Cliffe</b>				
Gas and Electricity Charges (per week) * Based on actuals		22.1	26.06	
<b>Malthouse Court</b>				
Gas and Electricity Charges (per week) * Based on actuals		10.76	14.71	
<b>Pound Court</b>				
Electricity; Grounds Maintenance (per week) * Based on actuals		5.41	4.45	
<b>Flats</b>				
<u>Where cleaning provided to communal areas:</u>				
Sandmore (Laundry and Communal Facilities, per week)		4.87	5.02	3.0%
Decorating charge (Note: charge is per room)		1.79	1.84	3.0%
<b>Supported Housing</b>				
<u>Service charge per week:</u>				
William Swayne House:				
- Self Contained bedsits		120.91	124.54	3.0%
- Self Contained flat		123.3	127.00	3.0%
William Swayne Place				
Dene Road		47.35	48.77	3.0%
79 York Road		75.21	77.47	3.0%
Caxtons		42.47	43.74	3.0%
Dene Court		65.65	67.62	3.0%
		88.20	90.85	3.0%
<b>Sold Flats Service Charges - Solicitors' Enquiry</b>				
Sales/purchases		155.74	160.41	3.0%
Remortgages		80.09	82.49	3.0%
Sold Flats Service Charge Management Fee		203.66	209.77	3.0%
<b>Consent Fees</b>				
Consent - Application in Advance		120.94	124.57	3.0%
Consent - Retrospective Application		206.51	212.71	3.0%

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Executive Report

Ward(s) affected: All

Report of Chief Finance Officer

Author: Peter Vickers

Tel: 01483 444027

Email: peter.vickers@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 01483 444027

Email: joss.bigmore@guildford.gov.uk

Date: 26 January 2023

## **General Fund Budget 2023-24 and Medium Term Financial Plan 2024-25 to 2026-27**

### **Executive Summary**

This report sets out the draft General Fund Budget for 2023/24 and Medium-Term Financial Plan (MTFP) ending 2026/27. The MTFP sets out the key work streams for the Council to focus on over this period which, collectively, aim to address the projected significant shortfall in the General Fund budget.

This report contains the following Appendices:

- Appendix 1 – draft Medium Term Financial Plan 2023/24 – 2026/27
- Appendix 2 – draft General Fund Revenue Budget Summary 2023/24
- Appendix 3 – statement of key variations from the baseline 2022/23 budget
- Appendix 4 – draft Fees & Charges for 2023/24
- Appendix 5 – schedule of projected General Fund usable reserves 2023/24

### **Recommendation to Council (8 February 2023):**

- (1) To approve a 2.99% increase in Guildford's Band D Council Tax Charge for 2023/24 with resultant increases to the other council tax bands.
- (2) To approve the General Fund Budget for 2023/24, as summarised in Appendix 2.
- (3) To continue the Council's existing Council Tax Support Scheme at the current levels.
- (4) To approve the General Fund Fees and Charges for 2023/24 proposed in Appendix 4.

(5) To utilise the full amount of the New Homes Bonus received for 2023/24 for the purpose of contributing to identified one-off General Fund revenue cost pressures.

(6) To agree that the Joint Management Team undertakes a comprehensive service challenge and present a revised budget and Medium-Term Financial Plan to Full Council in July 2023 as described in this report.

Reason for Recommendation:

To enable the Council to set the Budget and Council Tax for the 2023-24 financial year. The General Fund Budget is a major decision for the Council and setting a balanced budget is a statutory requirement.

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

## **1. Purpose of Report**

1.1 This report sets out the draft General Fund Budget for 2023/24 and Medium-Term Financial Plan (MTFP) ending 2026/27. The MTFP sets out a four-year view and draws attention to the key issues that Council must focus on over this period to address the projected significant shortfall in the General Fund budget and the Council is also asked to approve the budget and Council Tax for 2023/24.

## **2. Strategic Priorities**

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

## **3. Medium Term Financial Plan 2023/24 – 2026/27 (MTFP)**

3.1 The Medium-Term Financial Plan (MTFP) is Guildford's key financial planning document which takes account of all the currently known various factors and influences that may impact on the Council for the next few years. These factors include economic conditions, Government funding and restrictions, current expenditure patterns, inflation, planned changes to service delivery, changing demand for services, sources of income etc. It also includes the identification of the risks faced by the Council. The draft 2023/24 budget is set in the context of the latest MTFP.

3.2 The MTFP includes a forward look over the next four years to anticipate the spending pressures faced by the Council. Planning now to meet known changes in the future provides greater opportunity to mitigate the impact. Good preparation will mean that the Council has sufficient funds to meet unexpected costs and its limited financial resources are targeted to Guildford's residents' highest priorities.

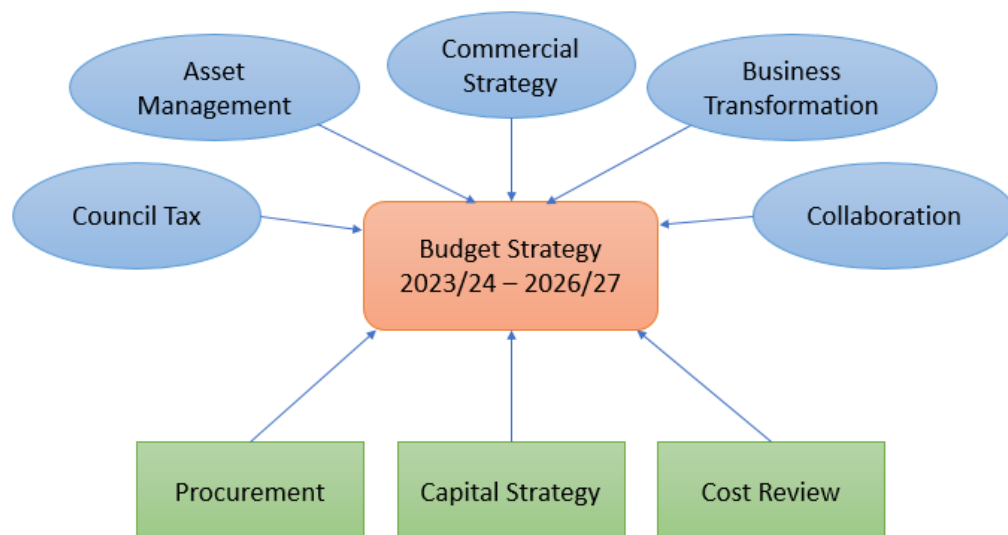
- 3.3 The purpose of the Medium-Term Financial Plan is to:
- Provide a framework for managing resources in the medium term to deliver the Corporate Plan.
  - Demonstrate that sufficient resources will be available to meet the Council's objectives and priorities, particularly in the delivery of value for money.
  - Look ahead to the longer term to protect and help plan sustainable services within an extremely challenging external economic and funding environment.
  - Strengthen the Council's financial resilience and manage volatility and risk, including maintaining an adequate level of reserves.
  - Anticipate financial pressures and identify potential ways to balance the Council's budget including through efficiency measures.
- 3.4 The Council's MTFP ending 2026/27 has been updated to include the latest General Fund assumptions and projections, including for the reserves earmarked for specific purposes that may have to be drawn upon to meet the MTFP budget shortfall. This report sets out the ongoing material financial pressures, risks and uncertainty which remain on a significant scale. The report discusses the strategies for addressing the financial challenges to protect vital services and put the council in a more sustainable financial position and highlights the budget shortfall projected over the next four years.
- 3.5 The updated MTFP projection is included in **Appendix 1**. The changes from the balanced 2022/23 position (approved in February 2022) are based on a review of the ongoing impact of the items identified in the 2021/22 financial outturn reported to Executive on 27 October 2022. The Executive considered a high-level summary report that set out the emerging financial position against the approved 2022/23 budget and highlighted pressures on the MTFP. The report highlighted that several factors had affected the Council's budget since it was approved in February 2022, most of which had an adverse impact. Whilst the financial outturn in 2021/22 on the General Fund and HRA was positive overall, there were some concerning cost pressures and income shortfalls that were likely to continue into future years. This, coupled with the significant inflationary pressure experienced since April 2022, presented a very challenging position for the Council. As described below, the latest MTFP projections show an estimated total cumulative gross budget shortfall, before compensating measures, over the four-year period of £18.4million.
- 3.6 Through collaboration, the Joint Management Team (JMT) came into place at the beginning of October 2022 and more than met the financial target set by the Council for 2022/23. The collaboration is a significant change for the Council in resourcing and delivering its existing savings and transformation strategies. Officers have therefore developed a Budget

Strategy framework to review the transformation work underway pre-collaboration, undertake a comprehensive service review and then set strategies underpinned by targets for the new JMT to deliver to address the 2023/24 significant budget shortfall and bring the MTFP into balance. The outcome of this work will be presented to the July Full Council for approval. It is crucial that this process is fully supported and remains the central focal point for addressing the budget shortfall.

- 3.7 The budget and MTFP projections are being prepared with a range of assumptions made in very uncertain economic conditions, including high inflation. Therefore, the figures are volatile, particularly regarding the timing and extent of recovery of income streams such as car parking impacted by the pandemic and the cost-of-living crisis. More details on the assumptions are set out later in the report. The Executive approved the 27 October 2022 Executive report setting out a high-level action plan including identifying any further measures that should be taken, all of these actions have been incorporated into a Budget Strategy framework described below.

### Budget Strategy

- 3.8 The Council's strategy for addressing the budget shortfall consists of a framework illustrated below. The themes in squares relate to ongoing actions, the ovals indicate key strategic areas of focus to underpin targets to address the MTFP deficit.



- 3.9 The Council's ability to take measures to fund increased costs and replace lost income is heavily regulated and under pressure. Examples include the Council's property investment strategy, which has been curtailed by changes to Public Works Loan Board financing criteria, and until recently historically low interest rates which have reduced interest income from

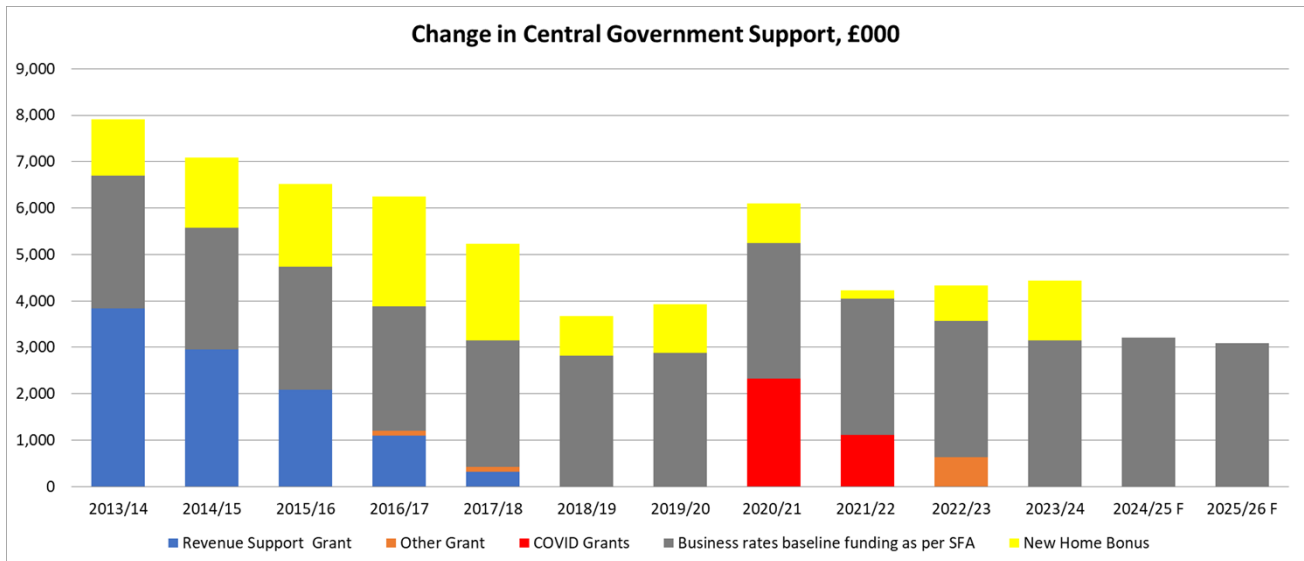
funds on deposit. Interest rates have recently increased resulting in additional income, supporting the MTFP in the short term. The Joint Management Team will look for new opportunities, including collaboration with others, to improve the Council's effectiveness and efficiency and report back in July 2023.

### **Budget Pressures**

- 3.10 As the impacts of Covid recede, the Council is seeing inflation emerging as an equally severe threat on top of the forecast loss of our share of central government funding. Further details are provided in **Appendix 1**.

### **Funding for Guildford's Services**

- 3.11 As well as collecting council tax to support its own budget, by law the Council must collect council tax for Surrey County Council, Surrey Police and all Parish councils in the Borough and this money is paid over to those organisations. The Government restricts the amount that council tax can be increased each year, and this is explained in more detail later in this report. In addition, Guildford collects business rates from non-domestic premises in the Borough. The Government sets the rateable value and rates chargeable for all business premises. Most of this money is paid to the Government with a relatively small amount being retained by Guildford and Surrey County Council. Guildford will receive £3.2 million (£2.9 million 2022/23) retained business rates to fund services in 2023/24 as can be seen on **Appendix 2**.
- 3.12 The amount of council tax that will be paid out to each of the precepting bodies, including Guildford, Surrey County Council, Surrey Police and the Parish councils, is fixed for the financial year. Any variation in actual council tax collected compared to precepts paid out will result in an adjustment to the precept in the following year. Guildford will receive £11.4 million (£11.0 million 2022/23) council tax to fund services in 2023/24 as can be seen on **Appendix 2**.
- 3.13 There has been a reduction in our government funding over the years from £8 million in 2013/14.



3.14 The Council budgets to retain £3.2 million of the £72 million (around 4%) business rates collected as its baseline funding for General Fund services. This baseline funding is derived from a government formula which determines each Council’s ‘relative needs’ and has been guaranteed until the completion of the Fair Funding review. This review has already been delayed for several years and is forecast to sit alongside the next government spending review after the general election, therefore a delay is expected of a further two years. The uncertainty of these delays impact on the Councils ability to plan ahead.

3.15 The Council’s budget suffers from a ‘structural deficit’ arising from service cost inflation, compared to a limited ability to raise additional income, particularly from council tax which is limited by the Government’s restriction on council tax increases. In 2023/24 this restriction is 3% equating to a maximum of £331,000 additional council tax income. As Government funding has fallen away and the Government’s publicly cited “spending power” (Council Tax, retained business rates and other government grants) calculation for Council’s includes an assumption that councils will apply the maximum council tax rise, the Council has reluctantly become increasingly reliant upon council tax funding.

3.16 In recent years the government have been pairing back on the calculation for New Homes Bonus (NHB), including the reduction of years for legacy payments (each years aware was originally for 6 years and now it’s only one year). The expectation is that NHB will be discontinued, however, the finance settlement received in December 2022 confirmed that the government has delayed its review of the NHB again by another year. This temporary reprieve in funding reduction is welcome and a one-off receipt of £1.28 million has been included in the 2023/24 budget. Due to the significant cost pressure and unresolved budget deficit in the draft 2023/24 General Fund budget, the previous policy of transferring the NHB

to reserves to fund regeneration schemes in the capital programme will cease, and the 2023/24 allocation of NHB used to contribute to identified one off cost pressures.

3.17 The Government announced the 2023/24 Local Government finance settlement for consultation late in December 2022. The headlines are as follows and are reflected in **Appendix 1**:

- The Services Grant will reduce in 2023/24 from £201,000 to £113,000. This is in part because of the reversal of the increase in National Insurance Contributions, therefore the government will not be compensating local government for these contributions from 2023/24
- Lower Tier Services Grant has been removed losing £134,000, to repurpose along with a proportion of the expired New Homes Bonus legacy payments to create a new one-off, funding guarantee of which Guildford received £nil in 2023/24.
- Revenue Support Grant of £114,000 to replace Local Council Tax Support Grant and Family Annexe Council Tax Discount Grant
- Retained business rates £3.2 million (2022/23 £2.9 million)
- New homes bonus £1.3 million (2022/23 £766,000) but no guarantee of any NHB payment in future years
- Council Tax increase limit for Borough Councils of £5 band D or up to 3%, whichever is the higher.
- No limit on council tax increases for town and parish councils. Surrey County Council tax increase limit up to 5% (including the 2% for adult social care costs).

### **General Fund Budget 2023/24**

3.18 A summary of the draft budget for 2023/24 is set out in **Appendix 2** and the changes from the 2022/23 base budget are summarised in the MTFP in **Appendix 1** with further detail of variations for certain key items presented in **Appendix 3** including unavoidable budget adjustments. The budget has been prepared on an “as-is” basis from the known 2022/23 baseline, then adjusted for known variations and measures including inflation.

3.19 The General Fund Budget Summary at Appendix 2 shows a budget deficit of £3.1million to be resolved in 2023/24. There are no proposed cuts to services included in the draft 2023/24 General Fund budget. The budget strategy outlined in paragraph 3.8 identifies a framework that will deliver savings from the asset management, business transformation, commercial and collaboration programmes to address the financial challenges and help protect funding for front line services.

3.20 It is anticipated that cost pressures will reduce over the MTFP period and reserves will be utilised in the short term whilst longer term base budget

cost pressures will be resolved through the budget strategy. This budget allows for the maximum allowable council tax increase of up to 3%.

### **Inflation**

- 3.21 There remains uncertainty regarding high inflation on the MTFP, and this is a sizeable pressure on the General Fund budget. Despite high inflation being mitigated in the current year with improved interest income, the impact of inflation will have further negative impact in future years as inflation compounds, and current forecasts for inflation remain higher than usually anticipated. Bank of England forecasts suggest inflation is expected to fall from mid-2023, as previous increases in energy prices dropped out of the annual comparison. It is then expected to decline to some way below the 2% target in years two and three of the MTFP projection. This MTFP assumes the 2% target rate will be returned to in two years' time. Officers have built increased inflation forecasts into the MTFP in the short term, with 9% in 2023/24 and 4% in 2024/25 however these rates are projected with more uncertainty than is usual.
- 3.22 The 2023/24 budget only includes inflation increases resulting from specific contractual agreements or projected market related pricing prevalent at the point of purchase (i.e., fuel and utilities). Cost increases included in the 2023/24 budget are shown in the table below. Generally, budgets are now cash limited to the 2022/23 budget provision, so no "across the board" inflation is included. Service managers are required to manage within their overall budget envelope, which is currently being reviewed for the July budget update. Inflationary increases on income streams such as fees and charges are included as part of the net changes in service provision budget adjustments.

#### **Non-Pay Inflation Related Increases**

	£
Vehicle Fuel	370,519
ICT	149,308
Insurance	300,000
Utilities	<u>2,000,000</u>
<b>Total:</b>	<b><u>2,819,827</u></b>

- 3.23 In terms of the staff pay award for 2023/24, which is also applied to Councillors' allowances, the pay policy states that the Joint Chief Executive negotiates this with the recognised union within the budget available. This negotiation has not yet concluded following the Union's pay claim submitted by the Union in December. At this stage, an indicative amount for pay inflation, as well as other pay inflation



commitments, are incorporated within the draft budget. If the matter is resolved before the Executive meeting in January, the budget will be revised and, in recommending the draft Budget to Council.

- 3.24 Surrey County Council has given notice to withdraw from the on-street parking arrange with the Council. The exit detail is currently being negotiated with SCC and the budget has been adjusted to reflect an indicative impact, once the full detail is resolved it will be incorporated into the July budget. The estimate included within **Appendix 3** is £1.4million representing the net loss of income to the Council.

### **Fees and Charges**

- 3.25 Fees and charges have been reviewed as part of the budget process. Some fees and charges are statutory but for those that can be determined by the Council general inflationary increases are proposed for 2023/24 where appropriate, with some exceptions. Details of the proposed fees and charges from 1 April 2023 are included at **Appendix 4**.

### **General Fund Reserves within the scope of the MTFP**

- 3.26 A summary of the relevant General Fund reserves is included in **Appendix 5**. This table builds on the latest monitoring position and takes account of the Council approvals in the 2022/23 budget. The schedule shows that there are £32 million of earmarked reserves available to support the MTFP and forthcoming Budget Strategy, in addition to the minimum General Fund balance of £3.75 million.
- 3.27 A comprehensive reserves review will be completed as part of the service review currently underway. Reserves will be aligned to the budget strategy proposals put to Full Council in July 2023, including an alignment of the reserve's governance process and a revised reserves strategy.
- 3.28 The future financial resilience of the Council is dependent upon the availability of reserves to manage financial shocks such as the pandemic and current global economic crisis. Ideally, the use of reserves should be limited as far as possible to mitigating the temporary impact of these shocks, net of any Government assistance. It is important to therefore ensure sustainable solutions are found wherever possible and if necessary or appropriate temporary measures such as a vacancy freeze to limit the need to call upon reserves, which should always be a last resort.
- 3.29 The Council borrows to fund its significant capital programme. This detail is provided in the Capital and Investment Strategy. When the Council borrows it has a statutory duty to put aside an amount of money each year to enable repayment of the borrowed sums. This is known as Statutory Minimum Revenue Provision (MRP) and is charged to the General Fund revenue account. The calculation of MRP is in accordance with the MRP

policy set out in the Capital and Investment Strategy. The amount included the General Fund MTFP is determined by the current level of borrowing plus planned additional borrowing forecast in the capital programme. The 2023/24 budget shows a £236,000 increase in MRP and a significant increase in MRP over the next four years. This is a cost pressure on the General Fund revenue account when the underlying capital projects being financed do not generate a new income stream. MRP will be reviewed alongside the capital programme and reported back as part of the July budget.

- 3.30 The MTFP includes estimated borrowing costs determined by the overall expected cash requirement during the MTFP term. The timing of the estimated cash requirement is influenced by the rate of delivery of the schemes within the capital programme. Until recently the Council has relied upon cash surpluses flowing through its bank to fund the capital programme, instead of putting surplus cash on deposit to earn interest at around 1%, using surplus cash saved on loan interest on borrowing at around 3% (this is called internal borrowing). However, the Council has reached the limit of surplus cash available and will have to resort to external borrowing to fund its future capital expenditure (i.e., from HM Treasury, Public Works Loan Board). The table below shows that there is an expected significant increase in external borrowing during the MTFP period, resulting in the single biggest impact on the General Fund revenue account. These estimates include a number of significant properties related investments strategies that are unlikely to continue to be pursued, reducing the borrowing requirement and the resulting interest cost will fall away. These will be reviewed in detail as part of the Budget Strategy work to be reported back to July Council.

	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Estimated cost of borrowing</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Long Term Loan		196.5	246.5	256.5	266.5
Long Term Loan interest		2.9	7.2	9.2	9.6
Less WUV interest capitalised		(2.9)	(2.9)	(2.9)	(2.9)
Temporary/liquidity	0.4	0.6	0.5	0.5	0.5
Other Interest	0.1	0.1	0.1	0.1	0.1
<b>Interest paid on debt financing</b>	<b>0.5</b>	<b>0.7</b>	<b>4.9</b>	<b>6.9</b>	<b>7.3</b>
<i>Change:</i>		<i>0.70</i>	<i>4.20</i>	<i>2.00</i>	<i>0.40</i>

- 3.31 The increase in the Bank of England base rate has resulted in a £2.24 million net increase (net of in year short-term borrowing for cash flow) in treasury income in the 2023/24 budget. Part of the total cash on deposit

consists of HRA reserve balances, resulting in a significant increase in interest income shared with the HRA as can be seen on appendix 2.

## **Risk**

- 3.32 There are a range of risks associated with the delivery of the MTFP and achievement of the various saving/efficiency programmes already in place to address the MTFP budget shortfall, these risks are particularly important to identify given the uncertainty in the estimates and local economy caused by the pandemic. The key risks are set out in the report, a summary of the MTFP risks is included below:

### Achieving savings targets:

- the uncertainty in the estimates and local economy caused by the pandemic and cost of living crisis
- investment in commercial property, with new borrowing restrictions in place. Government policy change has affected the Council's ability to undertake prudent 'yield' investments
- Major change programmes currently underway including the collaboration with Waverley Borough Council.

### Adequacy of provisions:

- Business rates – under the current retention system we carry some of the cost of appeals, including backdated refunds, plus reducing total rateable value in the Borough, for example the impact of permitted development on commercial premises
- Impact of Government's business rate funding review and Fair Funding review is likely to reduced retained business rates
- Housing benefit overpayment recovery – will be limited in future due to Universal Credit
- Investment property voids – this is an increasingly important revenue stream
- One off adverse impact such as planning appeals, judicial reviews

### Further constraints on income, increase in costs:

- Reliance on Council Tax increase, Planning and Building Control income – affected by Government policy, economy and local political decision making
- The unknown economic impact on inflation and interest rates
- Reducing Homelessness Grant
- Revenue impact of additional unsupported borrowing to fund capital schemes
- Capital scheme costs not meeting capitalisation rules resulting in being charged to the revenue account

### **Council Tax Support Scheme**

- 3.33 The Council Tax Support Scheme, which replaced council tax benefit on 1 April 2013, is reviewed annually. A range of assistance was introduced by Guildford to assist claimants and these schemes are actively promoted. A hardship fund was created to support claimants and the qualifying criteria revised to encourage take up. Discretionary Housing Payments are also available. Guildford officers are proactively supporting households that are most affected by welfare reforms. Experience shows that the take up of discretionary support is low and the Council Tax Scheme remains successful in supporting council taxpayers. It is, therefore, recommended that the current scheme remains unchanged for 2023/24.

### **Local Government Act 2003 – Financial**

- 3.34 The Local Government Act 2003 formally introduced a number of specific matters that the S151 Officer must comment on in the budget setting report. These are:

- Budget calculations
- Report on robustness of estimates
- Adequacy of reserves
- Budget monitoring

The sections were introduced to ensure sound financial management across all local authorities. Guildford's budget must comply with good financial management practice and prudent allowances made for risk and uncertainties in budgets. This is a work in progress that is a key corporate priority to be delivered by the JMT. Budgets are monitored by officers and reported to Members quarterly supplemented by monthly exception reports.

### **The Robustness of the Estimates**

- 3.35 The 2023/24 budget has been prepared following a period of unprecedented uncertainty and risk due to the impact of the pandemic and global economic crisis on the Council and its finances. The Council continues to undergo significant internal change, initially under the Future Guildford transformation programme and is now collaborating with Waverley Borough Council. These changes have resulted in significantly increased risk to sound financial management and introduced uncertainty in some key areas. This is being addressed with increased experienced financial capacity, and a comprehensive financial review of service provision is currently underway as described above.
- 3.36 A prudent assessment of income has been undertaken and provision has been made within budgets to allow for the high rate of inflation and general

uncertainty. Guildford's Financial Plan, together with information presented to members during the year demonstrates the financial challenges in the future including the risks associated with the current economic situation.

- 3.37 In view of the level of awareness amongst Members and the action taken to produce Guildford's draft Budget for 2023/24, the Section 151 Officer is satisfied with the robustness of the estimates presented. The Section 151 Officer is confident that overall, the Budget is prudent, but the risks noted in this report must be acknowledged and increased monitoring during the year will be implemented.

### **Adequacy of Reserves**

- 3.38 The General Fund balance supports fluctuations in normal business, e.g., unexpected changes in inflation or interest rates, higher than anticipated expenditure or loss of income, and spending on unforeseen events. Use of reserves has accelerated in the last two years and the MTFP shows a significant financial challenge. It is essential that adequate balances are available to meet these and unforeseen costs. Resolution of the 2023/24 and MTFP deficit will require a change in budget strategy and require a significant re-purposing of earmarked reserves to mitigate the transformation challenge and economic impacts on the Council's budget.
- 3.39 There is currently £32 million of earmarked reserves, along with the £3.75 million General Fund Working Balance. It is the view of the Section 151 Officer that this is adequate to mitigate the budget deficit in 2023/24 and provide mitigation to enable a revised budget strategy to deliver savings to support bringing the MTFP back into balance.
- 3.40 In the light of the identified future significant pressures, the levels of combined balances as detailed in this report are considered adequate.

### **Budget Monitoring**

- 3.41 It is the view of the Section 151 Officer that the arrangements for budget monitoring, referred to above, requires additional capacity and experience to deliver robust financial management in line with the requirements of the Local Government Act 2003. Budget Monitoring against the budget in 2022/23 shows that the Council has a high degree of uncertainty in the robustness of the in-year reported financial position
- 3.42 Overall, the arrangements in place are sound but, with the uncertainty about the ongoing impact of the pandemic, and impact of the national economic position alongside significant savings being put forward by Heads of Service in the current 2022/23 budget and the draft budget for 2023/24 and the increasing reliance on achieving income targets, close monitoring will be essential to head off any potential adverse budget

variations. The mitigating provisions put in place in the draft 2023/24 are sound measures to address the current level of uncertainty.

#### **4. Consultations**

- 4.1 The Joint Executive Advisory Board (JEAB) will review the draft budget at its meeting on 24 January 2023 and their comments will be reported to the Executive at its meeting. The Capital and Investment Strategy will also be considered by the JEAB on 24 January and by Corporate Governance and Standards Committee on 19 January 2022.
- 4.2 Officers have consulted the Lead Councillor for Finance and Planning Policy 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.

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

- 5.1 Covered in the risk section at paragraph 3.32 above.

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

- 6.1 All decisions made with regard to the budget will impact on Guildford's resources.

#### **7. Legal Implications**

- 7.1 It is the annual responsibility of the Full Council to approve the Budget and set the Council Tax.

#### **8. Human Resource Implications**

- 8.1 Resource implications are included within the detailed budget.

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

- 9.1 There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments of the detailed budget proposals will be carried out to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

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

- 10.1 There are no direct implications arising from this report. A number of projects in the Capital programme have positive climate change impacts.

**11. Executive Advisory Board comments**

- 11.1 The comments of the Joint Executive Advisory Board will be provided to the Executive via the Supplementary Information Sheet.

**12. Summary of Options**

- 12.1 Set out within the papers.

**13. Conclusion**

- 13.1 Having a robust, sustainable budget is essential to deliver all aspects of the Corporate Plan and the MTFP set out in this report is at the heart of its delivery.

**14. Background Papers**

None.

**15. Appendices**

Appendix 1: draft Medium Term Financial Plan 2023/24 – 2026/27  
Appendix 2: draft General Fund Revenue Budget Summary 2023/24  
Appendix 3: statement of key variations from the baseline 2022/23 budget  
Appendix 4: draft Fees & Charges for 2023/24  
Appendix 5: schedule of projected General Fund usable reserves 2023/24

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## Guildford Borough Council

### Appendix 1 – draft Medium Term Financial Plan 2023/24 – 2026/27

	Draft Budget	Forecast Estimates			Total
	Changes from 2022/23 base	Changes from 2023/24 base	Changes from 2024/25 base	Changes from 2025/26 base	
<b>Anticipated Budget variations:</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	
<b>Base budget:</b>	11,023,768	11,392,761	11,850,740	12,207,440	
<b>Changes at Directorate level:</b>					
Inflation and contractual increases	819,827	851,200	442,600	451,500	2,565,127
Payroll error	1,849,000	-	-	-	1,849,000
Utilities	2,000,000	231,800	243,000	153,000	2,627,800
Pay Award	3,266,850	278,000	800,000	822,000	5,166,850
Net changes in service provision	(224,872)	-	-	-	(224,872)
<b>Total: Changes at Directorate level</b>	<b>7,710,805</b>	<b>1,361,000</b>	<b>1,485,600</b>	<b>1,426,500</b>	<b>11,983,905</b>
<b>Corporate financing:</b>					
Interest earned from treasury management	(2,488,660)	1,721,380	555,400	(643,680)	(855,560)
HRA share of interest earned	1,539,250	349,640	(152,510)	(351,570)	1,384,810
Interest paid on capital programme financing	245,060	4,203,550	2,003,550	403,550	6,855,710
Minimum Revenue Provision (Loan principal repayment)	235,532	230,473	2,148,795	79,199	2,693,999
Revenue funding of capital schemes	(508,000)	-	-	-	(508,000)
<b>Transfers to and from reserves:</b>	<b>(2,630,973)</b>	<b>62,500</b>	<b>62,500</b>	<b>62,500</b>	<b>(2,443,473)</b>
<b>Central Government funding:</b>					
Retained Business rates	(223,256)	(59,000)	118,000	-	(164,256)
Services grant	85,491	-	-	-	85,491
Lower tier services grant	134,000	-	-	-	134,000
Revenue Settlement Grant	(114,006)	-	-	-	(114,006)
New Homes Bonus grant	(516,474)	1,282,629	-	-	766,155
<b>Total: Anticipated Budget variations:</b>	<b>3,468,768</b>	<b>9,152,172</b>	<b>6,221,335</b>	<b>976,499</b>	<b>7,834,869</b>
<b>Total budget requirement:</b>	14,492,536	20,544,933	18,072,075	13,183,939	
<b>Less council tax</b>	<b>(11,392,761)</b>	<b>(11,850,740)</b>	<b>(12,207,440)</b>	<b>(12,574,870)</b>	
<b>Deficit/(Surplus) in year</b>	<b>3,099,775</b>	<b>8,694,193</b>	<b>5,864,635</b>	<b>609,069</b>	
<b>Cumulative Deficit/(Surplus)</b>	<b>3,099,775</b>	<b>11,793,968</b>	<b>17,658,603</b>	<b>18,267,672</b>	

Note: figures showing as a minus sign ( ) indicate a favourable change from previous years budget

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## Guildford Borough Council

### Appendix 2 - Draft General Fund Revenue Budget Summary 2023/24

	Approved Budget 2022-23	Draft budget 2023-24	Change	
<b>Directorates - Net Expenditure</b>	11,105,077	11,105,077	0	
Anticipated Directorate budget variations:	0	7,710,805	7,710,805	See appendix 3
	<u>11,105,077</u>	<u>18,815,882</u>	<u>7,710,805</u>	
Budget Strategy savings to be identified and one off use of reserves		(3,099,775)	(3,099,775)	
<b><u>Corporate financing:</u></b>				
Interest earned from treasury management	(1,001,520)	(3,490,180)	(2,488,660)	
HRA share of interest earned	53,930	1,593,180	1,539,250	
Interest paid on external borrowing	450,430	695,490	245,060	
Minimum Revenue Provision (Loan principal repayment)	1,545,213	1,780,745	235,532	
Reserves funded maintenance schemes in capital programme	1,008,000	500,000	(508,000)	
<b><u>Transfers to and from reserves:</u></b>				
Car Park Maintenance reserve	(333,000)	0	333,000	
Election Costs reserve	62,500	(250,000)	(312,500)	
IT Renewals reserve	543,000	(568,760)	(1,111,760)	
Invest to Save reserve	433,086	0	(433,086)	
New Homes Bonus reserve	766,155	0	(766,155)	
Spectrum reserve	196,472	0	(196,472)	
Other reserves	222,700	78,700	(144,000)	
<b><u>Central Government funding:</u></b>				
Retained Business rates	(2,928,870)	(3,152,126)	(223,256)	
Services grant	(199,250)	(113,759)	85,491	
Lower tier services grant	(134,000)	0	134,000	
Revenue Settlement Grant	0	(114,006)	(114,006)	
New Homes Bonus grant	(766,155)	(1,282,629)	(516,474)	
<b>Total: Net Budget to be funded from Council Tax</b>	<b>11,023,768</b>	<b>11,392,761</b>	<b>368,993</b>	
<b>Council Tax:</b>				
Ctax 2022/23 base excluding Parish Precepts	(10,398,603)	(10,898,313)	(499,710)	
Increase due to change in council tax base	(213,913)	(163,694)	50,219	
Ctax price increase 23/23 £5 23/24 2.99%	(285,797)	(330,754)	(44,957)	
Council Tax: Collection Fund (surplus)/deficit	(125,455)	0	125,455	
<b>Total: Council Tax</b>	<b>(11,023,768)</b>	<b>(11,392,761)</b>	<b>(368,993)</b>	

Note: figures showing as a minus sign ( ) indicate a favourable budget change

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**Guildford Borough Council**

**Appendix 3 – Anticipated budget variations from the baseline 2022/23 budget**

<b>Anticipated budget variations</b>	<b>2023/24</b>
ICT Inflation	149,308
Insurance inflation	300,000
Fuel Inflation	370,519
Payroll error	1,849,000
Utilities	2,000,000
Pay Award	3,266,850
Directorate net budget adjustments	(224,872)
<b>Total: Anticipated budget variations</b>	<b>7,710,805</b>

<b>Analysis of: Directorate net budget adjustments</b>	<b>2023/24</b>
Fees and charges uplift	(1,004,286)
Property lease adjustments	(906,737)
Payroll changes	(833,998)
SCC Grant Income - Family support	(248,000)
G&W Collaboration	(200,000)
Service budget adjustments	(35,780)
Case team additional staff	100,420
External Audit contract increase	102,000
Parks seasonal staffing	140,000
Technical Services - materials	142,100
Salesforce further development	143,000
IT application support	170,000
Business World support	171,830
Refuse and Recycling	219,500
Planning development staffing	387,685
SCC Parking	1,427,394
<b>Total: Directorate net budget adjustments</b>	<b>(224,872)</b>

Note: figures showing as a minus sign ( ) indicate a favourable budget change

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**GUILDFORD BOROUGH COUNCIL  
GENERAL FUND BUDGET 2023-24**

**FEES AND CHARGES**

	2021-22 from 1 April 2021 £	2022-23 from 1 April 2022	2023-24 DRAFT	Increase %
<b>To be approved by Council</b>				
<b>Gypsy Caravan Sites - Pitch Rental</b>				
Ash Bridge & Cobbetts Close Sites (per week)	84.00	87.00	89.60	3.0%
Calvert Road	87.00	90.00	92.70	3.0%
Home Farm	85.50	89.00	91.70	3.0%
<b>Stray Dogs</b>				
A £25.00 statutory fee is included within the charge.				
1st day or part of day	120.00	124.00	127.70	3.0%
2nd day or part of day	140.00	144.00	148.30	3.0%
3rd day or part of day	161.00	166.00	171.00	3.0%
4th day or part of day	189.00	195.00	200.90	3.0%
5th day or part of day	218.00	225.00	231.80	3.0%
6th day or part of day	247.00	254.00	261.60	3.0%
7th day or part of day	285.00	294.00	302.80	3.0%
<b>Microchipping of Dogs (England) Regulations 2015</b>				
Microchipping of dog - seizure of dog, microchipping by vet and return to owner	Fee no longer applicable			
<b>Registration – Acupuncture, tattooing, etc.</b>				
Premises and/or One Practitioner	245.00	252.00	259.60	3.0%
Per Additional Practitioner	93.00	96.00	98.90	3.0%
Food Hygiene Revisits	305.00	314.00	323.40	3.0%
<b>Pest Control</b>				
(The charges shown are based on the cost of labour, transport plus materials)				
<b>Domestic Premises</b>				
Wasps (max 1 nest per premise)	70.00	72.00	80.00	11.1%
Wasps (extra nest at same visit)	38.00	39.00	43.00	10.3%
Other Treatments	85.00	88.00	95.00	8.0%
Other Treatments (houses of multiple occupation)	120.00	124.00	136.00	9.7%
Rodents	Free of Charge	45.00	55.00	22.2%

\* = includes VAT at 20%



	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Domestic Premises where the main occupier is receiving income support or benefits</b>				
Wasps (max 1 nest per premise)	38.00	39.00	43.00	10.3%
Wasps (extra nest at same visit)	38.00	39.00	43.00	10.3%
Other Treatments	55.00	57.00	63.00	10.5%
Rodents	Free of Charge			
<b>Services of Environmental Health Officer</b>				
- per hour or part thereof	63.00	65.00	67.00	3.1%
<b>**Due to the England Local Authority review of fees and charges these may be subject to change**</b>				
<b>Miscellaneous</b>				
Extracts from Registers - Food Safety Act, per page. Under the Freedom of Information Act 2000 the charge is waived as the cost of collecting the fee is more than the charge.	Free of Charge			
<b>Sex Establishments - Fixed by Council</b>				
Application fee	1,522.00	1568.00	1,615.00	3.0%
Fee of Grant	155.00	160.00	164.80	3.0%
<b>Contaminated Land &amp; Air Quality</b>				
Responding to enquiries about contaminated land – report with plan - First hour with administration	86.00	89.00	91.70	3.0%
Each additional hour	82.00	84.00	86.50	3.0%
<i>Note: for more extensive enquiries the fee is based on the hourly rate of the EHO added to the basic fee</i>				

\* = includes VAT at 20%

	2021-22 from 1 April 2021 £	2022-23 from 1 April 2022	2023-24 DRAFT	Increase %
<b>Private water supply</b>				
Private water supply with a distribution network - investigation when a sample fails	Hourly rate £82.00 maximum £100		Hourly rate £82.00 maximum £100	
Large private water supply - risk assessment	Hourly rate £82.00 maximum £500		Hourly rate £82.00 maximum £500	
Large Private water supply - investigation when a sample fails	Hourly rate £82.00 maximum £100		Hourly rate £82.00 maximum £100	
Large Private water supply - analysing a sample taken during check monitoring group A parameters	Hourly rate £82.00 maximum £100		Hourly rate £82.00 maximum £100	
Large Private water supply - analysing a sample taken during check monitoring group B parameters	Hourly rate £82.00 maximum £500		Hourly rate £82.00 maximum £500	
Other private water supply not covered by regulation 8 and 9 supplies - risk assessment	Hourly rate £82.00 maximum £500		Hourly rate £82.00 maximum £500	
Other private water supply not covered by regulation 8 and 9 supplies - investigation when a sample fails	Hourly rate £82.00 maximum £100		Hourly rate £82.00 maximum £100	
Analysing a sample –Taken under regulation 10	Cost as charged by labs not exceeding £25		Cost as charged by labs	
Analysing a sample –Taken during check monitoring	Cost as charged by labs not exceeding £100		Cost as charged by labs	
Analysing a sample –Taken during audit monitoring	Cost as charged by labs not exceeding £500		Cost as charged by labs	
<b>Extracts from Registers</b>				
Environmental Protection Act - per page	Free of Charge	Free of Charge	Free of Charge	
<b>Miscellaneous</b>				
Reports to Solicitors on the circumstances relating to workplace accidents (excl. cost of photographs) - up to 2 hours, extra charged at the hourly rate				
From April 2017 this will be charged at the hourly rate	63.00	65.00	67.00	3.1%
<b>Animal Activities Licensing</b>				
The law has changed as of 1 October 2018 and the Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 are now in force.				
Premises already licensed under the old legislation will continue to be licensed until such time as their licence expires. They will then have to apply for a new licence under the new regulations.				
<b>Animal Boarding</b>				
Application Fee	672.00	692.00	712.80	3.0%
Fee for Grant	271.00	279.00	287.40	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				

\* = includes VAT at 20%

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Home Boarding</b>				
Application Fee	672.00	692.00	712.80	3.0%
Fee for Grant	271.00	279.00	287.40	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Dog Day Care</b>				
Application Fee	672.00	692.00	712.80	3.0%
Fee for Grant	271.00	279.00	287.40	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Dog Breeding</b>				
Application Fee	777.00	800.00	824.00	3.0%
Fee for Grant	213.00	219.00	225.60	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Keeping Animals for Exhibition</b>				
Application Fee	283.00	291.00	299.70	3.0%
Fee for Grant	142.00	146.00	150.40	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Selling Animals as Pets</b>				
Application Fee	446.00	459.00	472.80	3.0%
Fee for Grant	223.00	230.00	236.90	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Hiring out Horses</b>				
Application Fee	545.00	561.00	577.80	3.0%
Fee for Grant	273.00	281.00	289.40	3.0%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
<b>Dangerous Wild Animals</b>				
-New	408.00	420.00	432.60	3.0%
-Renewal	213.00	219.00	225.60	3.0%
<b>Zoo Licence</b>				
-New	2,375.00	2446.00	2,519.40	3.0%
-Renewal	2,375.00	2446.00	2,519.40	3.0%

\* = includes VAT at 20%

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Each Additional Licence Activity</b>				
Application Fee	83.00	85.00	87.60	3.1%
Fee for Grant	91.00	94.00	96.80	3.0%
Each Additional Inspection	101.00	104.00	107.10	3.0%
Advisory Visit		TBC to be set as part of a wider charging for advice regime		
Variation to Licence	224.00	231.00	237.90	3.0%
Re-evaluation of Rating	224.00	231.00	237.90	3.0%
Variations to reduce the licensable activities or numbers of animals	92.00	95.00	97.90	3.1%
Transfer due to death of Licensee	92.00	95.00	97.90	3.1%
<b>Street Trading</b>				
Street Trading Total Fee	359.00	370.00	381.10	3.0%
Street Trading Community Event	40.00	41.00	42.20	2.9%
Charges for issue of a consent under the provisions of the Local Government (Miscellaneous) Provisions Act 1982				
<b>Day Centres</b>				
Price per meal:				
Member	4.40	4.60	4.70	2.1%
Non member	6.20	6.40	6.60	3.2%
Main course only - member	3.10	3.20	3.30	3.0%
Main course only - non member	4.30	4.50	4.60	2.2%
Dessert only - member	1.40	1.50	1.60	6.5%
Dessert only - non member	2.00	2.10	2.20	4.8%
Theme Meal - member	6.00	6.20	6.40	3.2%
Theme Meal - non member	7.50	7.70	7.90	2.7%

\* = includes VAT at 20%

	2021-22 from 1 April 2021 £	2022-23 from 1 April 2022	2023-24 DRAFT	Increase %
<b>Membership Fees:</b>				
Day Centre only	13.00	13.40	13.80	3.0%
Day Centre and Dial a Ride (50% is for Community Transport)	20.00	20.60	21.20	2.9%
Membership Top Up Transport	6.80	7.00	7.20	2.8%
Membership Top Up Transport	6.80	7.00	7.20	2.8%
Day Centre Activities**	3.40	3.50	3.60	2.8%
Income from other services***e.g. hairdressing and chiropody (% of takings)	20%	21%	21%	3.0%
<i>**These are activities such as Tai Chi and Line Dancing provided by external facilitators</i>				
<i>*** These charges were previously retained by the centre welfare funds</i>				
<b>Meals on Wheels Service</b>				
Price per meal	4.40	4.50	4.60	2.2%
<b>Hire of Halls</b>				
Voluntary and Not for Profit Providers per Hour	25.00	26.00	26.80	3.1%
Educational Activities	26.00	27.00	27.80	3.0%
Private hire	35.00	36.00	37.00	2.8%
Half Day	110.00	113.00	116.50	3.1%
Full Day	220.00	227.00	230.00	1.3%

\* = includes VAT at 20%

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Community Transport Service</b>				
Single Membership Fees:	13.00	13.50	13.90	3.0%
Dial a Ride only	13.00	13.50	13.90	3.0%
Community Transport to Day Centre	13.00	13.50	13.90	3.0%
Day Centre and Dial a Ride (half this fee relates to Day Centres)	20.00	20.50	22.00	7.3%
 Group Membership Fees:	 60.00	 62.00	 63.90	 3.1%
Vehicle Hire per 1/2 hr	10.00	10.50	10.80	2.9%
Charge per mile	1.00	1.00	1.00	0.0%
Passenger charge (min 5 people)	6.00	6.50	6.70	3.1%
 Single Journey				
1 mile	2.90	3.00	3.10	3.4%
2 miles	3.40	3.50	3.60	2.8%
3 miles	3.90	4.00	4.10	2.6%
4 miles	4.40	4.50	4.60	2.2%
5 miles	4.90	5.00	5.10	2.1%
6 miles	5.50	5.50	5.60	1.9%
7 miles	6.00	6.00	6.10	1.7%
8 miles	6.50	6.50	6.60	1.6%
9 miles	7.00	7.00	7.10	1.4%
10 miles	7.50	7.50	7.60	1.4%
11 miles	8.00	8.00	8.10	1.3%
12 miles	8.50	8.50	8.60	1.2%
13 miles	9.50	9.50	9.10	-4.2%
14 miles	10.00	10.00	9.60	-4.0%
15 miles. Journeys above 15 miles are not undertaken.	10.50	10.50	10.10	-3.8%
 <b>Handyperson Service - Available for the over 60's, disabled and vulnerable</b>				
General Services (per hour incl VAT)	25.00	26.00	27.00	3.8%
General Services for those on benefits (per hour incl VAT)	15.00	15.50	16.00	3.2%
Safe and Secure Works for those on benefits	Free of Charge			

\* = includes VAT at 20%

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Approved under Delegated Authority</b>				
<b>Private Sector Housing</b>				
HMO Licences (Discount of £25 if applicant is a member of a recognised landlord organisation) (Discount of £50 if applicant is an accredited Landlord of the Guildford Letting Scheme) (Both discounts can not be applied at the same time) Late application fee	885.00	912.00	939.40	3.0%
	No longer applicable			
<b>Careline</b>				
<b>Weekly Charges</b>				
Sheltered accommodation clients	0.60	0.65	0.70	8.0%
Elderly Persons dwellings clients	3.25	3.35	3.40	1.5%
Private Sector Clients (dispersed alarms)	4.60	4.75	4.90	3.2%
Responder Services (out of hours)	1.40	1.45	1.50	3.0%
<b>Caravan Licence</b>				
<b>New Licence Application</b>				
Number of Pitches 1 - 5	375.00	387.00	398.60	3.0%
Number of Pitches 6 - 15	391.00	402.00	414.10	3.0%
Number of Pitches 16 - 45	516.00	532.00	548.00	3.0%
Number of Pitches 46 and greater	563.00	580.00	597.40	3.0%
<b>Transfer of Existing Licence</b>				
Number of Pitches 1 - 5	136.00	140.00	144.20	3.0%
Number of Pitches 6 - 15	136.00	140.00	144.20	3.0%
Number of Pitches 16 - 45	136.00	140.00	144.20	3.0%
Number of Pitches 46 and greater	136.00	140.00	144.20	3.0%
<b>Application to vary a Site Licence</b>				
Number of Pitches 1 - 5	236.00	243.00	251.00	3.3%
Number of Pitches 6 - 15	252.00	260.00	268.00	3.1%
Number of Pitches 16 - 45	283.00	292.00	301.00	3.1%
Number of Pitches 46 and greater	330.00	340.00	352.00	3.5%

\* = includes VAT at 20%

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Annual Licence Fee</b>				
Number of Pitches 1 - 5	446.00	460.00	92.00	-80.0%
Number of Pitches 6 - 15	514.00	530.00	133.00	-74.9%
Number of Pitches 16 - 45	634.00	653.00	219.00	-66.5%
Number of Pitches 46 and greater	682.00	703.00	354.00	-49.6%
<b>Fit and Proper Licence Fee (introduced 2021)</b>				
Licence Application Fee		204.00	218.00	6.9%
Annual licence fee where up to 1 Condition		221.00	234.00	5.9%
Annual licence fee where up to 2 Conditions		330.00	351.00	6.4%
Annual licence fee where 3 or more Conditions		393.00	418.00	6.4%
<b>Deposit of Site Rules</b>				
Number of Pitches 1 - 5	35.00	36.00	37.10	3.1%
Number of Pitches 6 - 15	35.00	36.00	37.10	3.1%
Number of Pitches 16 - 45	35.00	36.00	37.10	3.1%
Number of Pitches 46 and greater	35.00	36.00	37.10	3.1%
<b>Scrap Metal</b>				
Site Licence	204.00	210.00	216.30	3.0%
Mobile Collector	187.00	193.00	198.80	3.0%
<b>Local Authority Pollution Protection Control</b>				
Fees are set by Statute and are available on request from the Environmental Control service.				
<b>Hackney Carriages and Private Hire Vehicles</b>				
Hackney Carriage Vehicle (new/renew)	196.04	268.13	276.20	3.0%
Private Hire Vehicle (new/renew)	172.62	262.45	270.30	3.0%
Hackney Licence Vehicle Change	32.04	25.88	26.70	3.2%
Vehicle Licence Plates	22.32	22.32	23.00	3.0%
Private Hire Vehicle Change	32.04	25.88	26.70	3.2%
Test Fee	58.00	58.00	59.70	2.9%
Hackney carriage temporary vehicle licence (3 months)	80.08	111.7	115.10	3.0%
Private hire temporary vehicle licence (3 months)	74.22	110.28	113.60	3.0%
Private hire vehicle signs (two signs)	21.93	25.80	26.60	3.1%

\* = includes VAT at 20%



	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Hackney Carriage and Private Hire Drivers</b>				
Hackney Drivers Licence Fee (new/renew)	454.69	371.44	382.60	3.0%
Private Hire Drivers Licence Fee (new/renew)	454.69	371.44	382.60	3.0%
Hackney Drivers Knowledge Test	44.60	44.60	45.90	2.9%
Private Hire Drivers Knowledge Test	24.82	24.82	25.60	3.1%
Private Hire Replacement Badge	13.66	13.66	14.10	3.2%
Convert from Private Hire Driver to Hackney Carriage Driver	18.60	18.64	19.20	3.0%
<b>Private Hire Operators Licence</b>	<b>970.97</b>	<b>2,223.10</b>	<b>2,289.80</b>	<b>3.0%</b>
<b># subject of a report to Licensing Committee date tbc, and a further period of statutory consultation.</b>				
<b>Statutory Permits</b>				
<b>Unlicensed Family Entertainment Centre</b>				
- new application	300.00	300.00		-100.0%
- fast track application	100.00	100.00		-100.0%
- renewal	300.00	300.00		-100.0%
- change of name	25.00	25.00		-100.0%
- copy permit	15.00	15.00		-100.0%
<b>Club Gaming Permit</b>				
- new application	200.00	200.00		-100.0%
- fast track application	100.00	100.00		-100.0%
- renewal	200.00	200.00		-100.0%
- vary permit	100.00	100.00		-100.0%
- annual fee	50.00	50.00		-100.0%
- copy permit	15.00	15.00		-100.0%
<b>Club Machine Permit</b>				
- new application	200.00	200.00		-100.0%
- fast track application	100.00	100.00		-100.0%
- renewal	200.00	200.00		-100.0%
- vary permit	100.00	100.00		-100.0%
- annual fee	50.00	50.00		-100.0%
- copy permit	15.00	15.00		-100.0%

\* = includes VAT at 20%

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>DRAFT</b>	<b>Increase</b>  %
<b>Premises licensed to sell alcohol</b>				
- 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%
<b>Prize Gaming Permit</b>				
- 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%
<b>Lotteries</b>				
- registration of society	40.00	40.00	40.00	0.0%
- renewal (annual fee)	20.00	20.00	20.00	0.0%
Pavement Licence (NEW)		100.00	100.00	0.0%

**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.

<b>Statutory Maximum</b>									
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

<b>Guildford Borough Council Fee</b>									
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

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>proposed</b>	<b>Increase</b>  %
<b>To be approved by Council</b>				
<b>Off Street Car Park Charges</b>				
<b>Contract Car Parking</b>				
Main car parks - Monday to Friday only - Per year	2,528.19 *	2,604.00	2,604.00	0.0%
Main car parks - Saturday only - Per year	505.76 *	521.00	521.00	0.0%
Main car parks - Monday to Saturday only - Per year	3,033.64 *	3,125.00	3,125.00	0.0%
Stoke Fields, Stoke Road, and Eagle Road car parks - Resident rate - Per year	607.47 *	626.00	626.00	0.0%
<b>Season Ticket Parking</b>				
Farnham Road car park - Monday to Friday only - Per year	1,964.70 *	2,024.00	2,024.00	0.0%
Farnham Road car park - Monday to Saturday only - Per year	2,357.62 *	2,428.00	2,428.00	0.0%
York Road car park - Monday to Friday only - Per year	2,166.08 *	2,231.00	2,231.00	0.0%
York Road car park - Monday to Saturday only - Per year	2,599.27 *	2,677.00	2,677.00	0.0%
Bedford Road car park - Monday to Friday only - Per year	2,210.65 *	2,277.00	2,277.00	0.0%
Guildford Park car park - Monday to Friday only - Per year	1,030.00 *	1,061.00	1,061.00	0.0%
<b>Garages</b>				
Gardner Road, Stoke Fields, Bedford Sheds - Residents only - Per year	764.72 *	788.00	815.00	3.4%
Gardner Road, Stoke Fields, Park Road - Non-residents - Per year	1,284.96 *	1,324.00	1,370.00	3.5%
Bedford Road Sheds - Non-resident - Per year	1,841.03 *	1,896.00	1,960.00	3.4%
<b>Penalty Fee Notice</b>				
Pay and display space	25.00	25.00	25.00	0.0%
Permit space	35.00	35.00	35.00	0.0%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>proposed</b>	<b>Increase</b> %
<b>On Street Car Park Charges</b>				
<b>Parking Meter Charges</b>				
Town centre - charge per 30 minutes	1.00	1.00	not applicable- charges set by Surrey Coun	
Town centre - charge per 30 minutes, 2 hr bays	0.80	0.80	not applicable- charges set by Surrey Coun	
Other on-street parking bays, 3 hr bays	0.60	0.60	not applicable- charges set by Surrey Coun	
<b>Resident Permit</b>				
First permit - per year		Price on application		
Second permit - per year		Price on application		
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount				
<b>Visitor Permit</b>				
Per permit		Price on application		
<b>Business Permit</b>				
First permit - per year		Price on application		
Second permit - per year		Price on application		
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount				
<b>Carers Permit</b>				
Per permit - Per year		Price on application		
<b>Penalty Fee Notice</b>				
Pay and display space	25.00	25.00	25.00	0.0%
Permit space	35.00	35.00	35.00	0.0%
<b>Markets</b>				
North Street - Market Stall per day per metre, stall frontage	15.00	15.50	16.00	3.2%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>proposed</b>	<b>Increase</b>  %
<b>Refuse Collection Service</b>				
Special Collection of Household Refuse				
For a single item			-	
For 2 to 5 items			-	
For the collection of large quantities with charges being assessed by a Council Inspector				
Domestic Waste per hour or part thereof (Minimum charge 1 hour)			-	
Commercial Waste per hour or part thereof (Minimum 2 hours)			-	
Duty of care certificate	28.20 *	29.05	32.00	10.2%
<b>Dog Fouling</b>				
Fixed Penalty Charge		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				
<b>Approved under Delegated Authority</b>				
<b>Cleansing</b>				
<b>Provision of bins to housing developments &amp; redevelopments</b>				
Initial supply and delivery of one refuse and one recycling standard 140ltr, 240ltr or 360ltr bins to new or refurbished properties	60.00	60.00	70.00	16.7%
Initial supply and delivery of 770ltr bins to new properties	290.00	305.00	375.00	23.0%
Initial supply and delivery of 1100ltr bins to new properties	295.00	310.00	380.00	22.6%
<i>Charges for 770ltr and 1100ltr bins are subject to change to reflect the cost to the Council of purchasing the bins from our supplier.</i>				
<b>Recycling - Green Waste Bins</b>				
Per Bin	41.00	45.00	48.00	6.7%
Replacement Bin	30.00	30.00	35.00	16.7%
1 Set of 4 - 60 litre sacks	41.00	45.00	48.00	6.7%
<b>Refuse</b>				
Replacement Bin	30.00	30.00	35.00	16.7%

\*= includes VAT at 20%

	2021-22 From 1 April 2021 £	2022-23 From 1 April 2022	2023-24 proposed	Increase %
<b>Miscellaneous for Small Businesses</b>				
Sharps collection - service agreement for 6 months delivery and removal of 25 x 7cl Sharps boxes on monthly collection.		Price on application		
<b>Food Waste</b>				
Trade collection (per 120 litre container)		Price on application		
School collection (per 120 litre container)		Price on application		
<b>Abandoned Vehicles</b>				
Recovery and Release of vehicle	108.00	111.24	114.60	3.0%
Daily Charge (Monday to Friday)	12.00	12.36	12.70	2.8%
<b>Streetscene related Penalty Charges - new</b> (fees not reviewed for a number of years)				
FPN Fly Tipping		200.00	400.00	100.0%
FPN Duty of Care - Commercial	200.00	200.00	400.00	100.0%
FPN Duty of Care - Domestic	200.00	200.00	300.00	50.0%
FPN Litter, distribution of printed matter, and graffiti and fly-posting	50.00	50.00	150.00	200.0%
FPN Failure to produce Waste Transfer Note	300.00	300.00	300.00	0.0%
FPN Commercial Waste Receptacle Offences	100.00	100.00	110.00	10.0%
FPN Domestic Waste Receptacle Offences	60.00	60.00	80.00	33.3%
FPN Nuisance Parking	100.00	100.00	100.00	0.0%
FPN Abandoning a Vehicle	200.00	200.00	200.00	0.0%
Fixed Penalty Charge Dog Fouling (PSPO)	not applicable	100.00	100.00	0.0%
<b>Approved by Government</b>				
<b>Public</b>				
MOT	54.80	54.80	54.80	0.0%
Re-test within 24 hours on minor items	free of charge			
Re-test within 10 days	27.40	27.40	27.40	0.0%
Thereafter full cost				
<b>Taxi</b>				
Vehicle Inspection Fee	58.00	58.00	60.00	3.4%
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%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>Proposed</b>	<b>Increase</b>  %
<b>To be approved by Council</b>				
<b>Parks and Open Spaces</b>				
<b>Tennis-Stoke Park and Sutherland Memorial Park</b>				
Adult per court, per hour	6.90	5.98	7.00	17.1%
Floodlights only, per hour	n/a n/a		6.00	
Junior (under 18) & concession price, per court, per hour	5.90	5.07	5.50	8.5%
Coaching	6.90	7.11 no longer applicable		
Burpham Tennis Club	5.90	6.08 no longer applicable		
<b>Mini Golf - Stoke Park</b>				
Adults	4.60	4.74	5.00	5.5%
Children	3.10	3.19	3.50	9.6%
Family Ticket (2 adults and 3 under 16's)	12.80	13.18	14.00	6.2%
<b>Cricket: All sites</b>				
Evening 17:00 hrs onwards - Adults (up to 4 hours)	100.00	85.83	96.00	11.8%
Full Day - Adults (22 yrs)	135.00	115.88	129.00	11.3%
Standard Pitch - Under 18's	43.50	37.34	42.00	12.5%
Small Pitch - Junior teams under 15's	33.00	28.33	31.00	9.4%
<b>Football - All sites</b>				
Grass football pitch 3 hours - U18's 11-a-side football	49.00	42.06	49.00	16.5%
Grass football pitch 3 hours - Adult 11-a-side football	89.00	76.39	90.00	17.8%
Grass football pitch 90 minutes - 9v9 football	33.50	28.76	32.00	11.3%
Grass football pitch 90 minutes - 7v7 football	32.50	27.90	31.00	11.1%
Grass football pitch 90 minutes - 5v5 football	30.50	26.18	30.00	14.6%
Grass football training (no pitch use) 2 hours - Football training area	30.50	26.18	27.00	3.1%
<b>Rugby:</b>				
Rugby pitch 2 hours - U18s rugby	49.00	42.06	49.00	16.5%
Rugby pitch 2 hours - Adult rugby	89.00	76.39	90.00	17.8%
Rugby training (no pitch use) 2 hours - Rugby training area	30.50	26.18	27.00	3.1%
<b>Netball - Stoke Park (Adult)</b>	35.50	30.48	33.00	8.3%
<b>Netball - Stoke Park (School usage and U18)</b>	17.50	15.03	16.00	6.5%
<b>Softball/Rounders - (Adult)</b>	43.50	37.34	41.00	9.8%
<b>Softball/Rounders - (School and U18)</b>	24.50	21.03	23.00	9.4%

\*= includes VAT at 20%



	2021-22 From 1 April 2021 £	2022-23 From 1 April 2022	2023-24 Proposed	Increase %	
<b>Grass Athletics Track - Stoke Park (Adult groups/Organisations) 2 hours</b>	88.00	75.53	84.00	11.2%	
<b>Grass Athletics Track - Stoke Park (Schools and U18 groups) 2 hours</b>	49.00	42.06	47.00	11.7%	
<b>Lacrosse:</b>					
Stoke Park - Adults	88.00	75.53	84.00	11.2%	
Stoke Park - School usage and youth (Under 18's)	49.00	42.06	47.00	11.7%	
<b>Table Tennis - All Per 30 minutes</b>	1.00	1.03	1.00	-2.9%	
<b>Frisbee pitch 2 hours (All)</b>	34.00	29.18	32.00	9.7%	
<b>Event all Sites</b>					
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					
<b>Circuses and Fun Fairs</b>					
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					
<b>Filming all Sites: -</b>					
Per Event - Per Day on Site (Negotiable) Minimum £50 - Maximum £1,000 per day			Price on application		
<b>Fitness Sessions</b>					
			Price on application		
<b>Forest school use of site - per child per visit</b>	2.00	2.06	2.10	2.0%	
<b>Car Parking Only All Sites:</b>					
Per Day on Site (not in conjunction with event hire)			Price on application		
<b>Commemorative Benches (All sites)</b>					
			Price on application		
<b>Shalford Park:</b>					
Camping and Caravanning (Club Use) - per unit per night	*	9.70	9.99	10.30	3.1%
<b>Chantries Camp Site: per person per day/night</b>	*	5.00	9.50	10.50	10.5%
Minimum charge for groups of 3 persons or under	*	15.00	30.00	35.00	16.7%
Children age 4 to 16, scouts and affiliated groups (under 4s free)			4.75	5.00	5.3%

\*= includes VAT at 20%

	2021-22 From 1 April 2021 £	2022-23 From 1 April 2022	2023-24 Proposed	Increase %
<b>Sutherland Memorial Park</b>				
<b>Astro Pitch 5-a-side</b>				
All - per court per hour before 4pm (Weekdays and weekend)	11.00	9.44	10.00	5.9%
5-a-side Football per court per hour including floodlights - Adults	50.00	42.92	48.00	11.8%
5-a-side Football per court per hour including floodlights - Youth (Under 18's)	25.50	21.89	24.00	9.6%
<b>Balloon Flights</b>				
Seasonal annual agreement paid in advance for take off rights per site	645.00	664.35	684.30	3.0%
<b>Greenark</b>				
Commercial - Each hour or part	20.00	20.60 no longer available		
Community - Each hour or part	17.00	17.51 no longer available		
For regular users book 10 and receive 10% discount				
<b>Approved under Delegated Authority</b>				
<b>Guildford Crematorium</b>				
<b>Cremation Fees</b>				
For the cremation of a child whose age at death did not exceed 18 years (incl medical referee fees)	free of charge			
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	975.00	999.00	2.5%
Saturday cremation (09:00 am - 12 noon)	1,200.00	1250.00	1350.00	8.0%
Non attended service cremation	495.00	495.00	399.00	-19.4%
Cancellation of diary booking with less than 48 hours notice and late delivery of papers	135.00	145.00	160.00	10.3%
Service of double or additional length; per 45 minutes additional fee of:	250.00	275.00	315.00	14.5%
Service which exceeds the allocated timeslot of 30 minutes	285.00	315.00	395.00	25.4%
Cremation of a child on a Saturday (9am - 12 noon)	free of charge			
Cremation of Non Viable Foetus (NVF) (up to 24 weeks gestation)	free of charge			
Fee for exhuming ashes if not for re-internment within the grounds	115.00	125.00	140.00	12.0%
Certificate of cremation / burial duplicate copy (previously under delegated authority)			25.00	100.0%
Non standard attended cremation committal only (previously under delegated authority)			720.00	100.0%

Possible price increase might have to be introduced to add to cremation fee depending on rising utility costs.

\*= includes VAT at 20%

		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
		From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>
		<b>£</b>			
<b>Urns and Containers</b>					
Ashes Container		24.00	25.00	27.00	8.0%
Wooden Casket		76.00	80.00	90.00	12.5%
Decorative Urns		122.00	125.00	138.00	10.4%
Decorative keepsake urns		38.00	40.00	45.00	12.5%
Scatter tubes		45.00	46.00	50.00	8.7%
Child Scatter tubes		16.00	16.50	18.00	9.1%
<b>Deposit of Ashes</b>					
For the scattering of ashes in the Garden of Remembrance when cremation has taken place elsewhere		110.00	115.00	125.00	8.7%
Split of ashes to include 2x cremation certificate and 2x ashes containers for separate scattering elsewhere.		50.00	52.00	60.00	15.4%
Per split there after		n/a	n/a	15.00	
<b>Memorials and Inscriptions</b>					
<b>Entries in the Book of Remembrance</b>					
2 line entry	*	105.00	110.00	120.00	9.1%
5 line entry	*	140.00	145.00	158.00	9.0%
5 line entry with motif	*	220.00	230.00	248.00	7.8%
8 line entry	*	170.00	180.00	195.00	8.3%
8 line entry with motif	*	250.00	260.00	285.00	9.6%
Motif	*	78.00	82.00	90.00	9.8%
<b>Replicas of entries in Book of Remembrance Memorial Cards</b>					
2 line entry	*	40.00	42.00	46.00	9.5%
5 line entry	*	63.00	66.00	72.00	9.1%
5 line entry with motif	*	143.00	148.00	162.00	9.5%
8 line entry	*	80.00	84.00	92.00	9.5%
8 line entry with motif	*	160.00	166.00	182.00	9.6%
Motif	*	78.00	82.00	90.00	9.8%
<b>Miniature Books of Remembrance</b>					
2 line entry	*	92.00	96.00	105.00	9.4%
5 line entry	*	130.00	137.00	150.00	9.5%
5 line entry with motif	*	210.00	219.00	240.00	9.6%
8 line entry	*	145.00	153.00	168.00	9.8%
8 line entry with motif	*	225.00	235.00	258.00	9.8%
Motif	*	78.00	82.00	90.00	9.8%

\*= includes VAT at 20%

		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
		From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>
		<b>£</b>			
<b>Adoption of Rose Trees (including nameplate)</b>					
Standard Roses (5 years) with aluminium plaque		580.00	615.00	670.00	8.9%
Renewals after initial period:					
(a) 5 years		325.00	355.00	385.00	8.5%
(b) 1 year		106.00	110.00	120.00	9.1%
<b>Trees 5 years with aluminium plaque</b>					
<b>Trees 10 years with aluminium plaque</b>		795.00	860.00	995.00	15.7%
<b>Trees 10 years with aluminium plaque</b>		1,400.00	1530.00	1750.00	14.4%
Renewals after initial period:					
(a) 5 years		565.00	595.00	645.00	8.4%
(b) 1 year		160.00	170.00	185.00	8.8%
<b>Plaques</b>					
Aluminium Plaque with existing memorial	*	120.00	130.00	145.00	11.5%
Granite Plaque (6 x 4) with existing memorial	*	280.00	310.00	335.00	8.1%
Granite Plaque (7 x 5) with existing memorial	*	335.00	365.00	390.00	6.8%
Additional artwork on granite plaque	*				
Additional artwork on an aluminium plaque	*				
Photo plaque on granite plaque	*				
<b>Seats</b>					
Seats wooden 5 feet length (for a period of 10 years)	*		1995.00	2190.00	9.8%
Seats Granite Columbaria (for a period of 10 years)	*				
Replacement or additional seat plaque 6" x 2"	*	150.00	156.00	165.00	5.8%
Photo plaque on a granite seat plaque	*				
Non standard motif on a granite seat plaque	*				
Standard motif on a granite seat plaque	*				
Restraining Charge	*	17.00	18.00	25.00	38.9%

\*= includes VAT at 20%

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>
	£			
<b>Memorial Vault - Sanctum including wooden casket</b>				
(a) 10 year adoption	1,450.00	1580.00	1735.00	9.8%
(b) 20 year adoption	2,075.00	2200.00	2405.00	9.3%
(c) 30 year adoption	2,800.00	3015.00	3310.00	9.8%
(d) 40 year adoption	3,450.00	3700.00	4050.00	9.5%
(e) 50 year adoption	4,200.00	4500.00	4945.00	9.9%
Per Letter after first 80 letters	3.40	3.65	4.00	9.6%
Standard motif	230.00	245.00	270.00	10.2%
Non standard motif				
Photo plaque	Price on application			
Replacement Vault Tablet - Sanctum 2	140.00	145.00	160.00	10.3%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	385.00	415.00	455.00	9.6%
Memorial Vault - Renewal 5 years	385.00	400.00	435.00	8.8%
Memorial Vault - Renewal 10 years	360.00	375.00	405.00	8.0%
Memorial Vault - Renewal 20 years	715.00	755.00	800.00	6.0%
	1,425.00	1475.00	1590.00	7.8%
<b>Vase Blocks - 10 years</b>	650.00	695.00	755.00	8.6%
Standard motif on a vase block	230.00	245.00	265.00	8.2%
Non standard motif on a vase block				
Photo plaque on a vase block	Price on application			
Renewal of Vase Block for 5 years	100.00	105.00	115.00	9.5%
Replacement of Vase in memorial vaults	300.00	320.00	350.00	9.4%
Replacement of Vase in vase blocks	17.00	18.00	20.00	11.1%
Replacement vase for vaseblock vault	17.00	18.00	20.00	11.1%

\*= includes VAT at 20%



	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>
	<b>£</b>			
<b>Resident</b>				
For the interment in a grave which has already been purchased - the body of a person exceeding 18 years				
To a single depth (5ft)	900.00	936.00	1025.00	9.5%
To a double depth (7ft)	995.00	1035.00	1135.00	9.7%
Interment of cremated remains in a grave	385.00	400.00	435.00	8.8%
Interment of cremated remains in cremated remains plots at Stoke Cemetery	385.00	400.00	435.00	8.8%
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		
To a double depth (7ft)		free of charge		
Interment of cremated remains in a grave		free of charge		
Interment of cremated remains in cremated remains plots at Stoke Cemetery		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:	485.00	505.00	555.00	9.9%
For every hour after 5pm	105.00	110.00	120.00	9.1%
Exclusive Rights of Burial in Earthen Graves:				
Traditional and Lawn Section				
In an earthen grave 7ft 6 ins x 3ft 6 ins	2,020.00	2150.00	2400.00	11.6%
In an earthen grave 6ft x 3ft - Children's section		Free of charge		
Extension of Exclusive Right of Burial for additional five years	340.00	355.00	400.00	12.7%
Garden of Remembrance (Cremated remains)	600.00	630.00	685.00	8.7%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.				
<b>Memorials</b>				
Permit to erect a memorial	240.00	250.00	275.00	10.0%
Permit to erect a vase with inscription	116.00	120.00	80.00	-33.3%
Permit to erect a vase without inscription		Free of charge	10.00	
Permit to clean a memorial	15.00	16.00	20.00	25.0%
Permit for added inscription which requires removal of stone	225.00	235.00	250.00	6.4%
Permit for added inscription (done on site)	112.00	117.00	125.00	6.8%
Permit for remedial repair	45.00	47.00	50.00	6.4%
1 year permit to clean a memorial	n/a	n/a	15.00	

\*= includes VAT at 20%

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>
	<b>£</b>			
Memorial Vault - Sanctum				
(a) 10 year adoption	1,450.00	1590.00	1735.00	9.1%
(b) 20 year adoption	2,075.00	2200.00	2405.00	9.3%
(c) 30 year adoption	2,800.00	3015.00	3310.00	9.8%
(d) 40 year adoption	3,450.00	3700.00	4050.00	9.5%
(e) 50 year adoption	4,200.00	4500.00	4945.00	9.9%
Per Letter after first 80 letters	3.40	3.65	4.00	9.6%
Standard motif	230.00	245.00	265.00	8.2%
Non standard motif				
Photo plaque	140.00	145.00	155.00	6.9%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	385.00	400.00	435.00	8.8%
Memorial Vault - Renewal 5 years	360.00	375.00	405.00	8.0%
Memorial Vault - Renewal 10 years	715.00	755.00	825.00	9.3%
Memorial Vault - Renewal 20 years	1,425.00	1475.00	1605.00	8.8%
<b>Miscellaneous Charges</b>				
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:				
Certified Copy of title deed of burial	24.00	25.00	25.75	3.0%
Transfer of grant of right of burial	98.00	105.00	115.00	9.5%
Addition of grave owners after rights issued/transferred	n/a	30.00	30.00	0.0%
Digging fee for cremated remains when LTR takes place alongside fullbody burial in same grave at different depths	n/a	n/a	120.00	
<b>Cemeteries - Non Residents of Guildford Borough Fees</b>				
<b>Guildford, Stoke New and Old Cemeteries - Interments</b>				
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-				
Unpurchased grave for a child	510.00	530.40	546.30	3.0%
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	1875.00	2050.00	9.3%
To a single depth (5ft)	1,990.00	2070.00	2260.00	9.2%
To a double depth (7ft)	770.00	800.80	870.00	8.6%
Interment of cremated remains in a grave	770.00	800.80	870.00	8.6%
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:				
For every hour after 5pm	450.00	470.00	510.00	8.5%
	105.00	110.00	125.00	13.6%

\*= includes VAT at 20%



	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>
	<b>£</b>			
<b>Exclusive Rights of Burial in Earthen Graves:</b>				
<b>Traditional and Lawn Section</b>				
In an earthen grave 7ft 6 ins x 3ft 6 ins	4,040.00	4205.00	4600.00	9.4%
In an earthen grave 6ft x 3ft - Children's section	1,850.00	1925.00	2100.00	9.1%
Extension of Exclusive Right of Burial for additional five years	680.00	710.00	775.00	9.2%
Garden of Remembrance (Cremated remains)	1,200.00	1250.00	1365.00	9.2%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.				
<b>Obitus</b>				
Webcasts				
Webcast live only		30.00	32.50	8.3%
Webcast of funeral service - 28 day viewing and free download		45.00	50.00	11.1%
Keepsake copy of webcast first copy		50.00	55.00	10.0%
Keepsake copy of webcast second copy		25.00	27.00	8.0%
Keepsake copy of visual tribute (first copy)		50.00	55.00	10.0%
Keepsake copy of visual tribute (second copy)		25.00	27.00	8.0%
Downloadable of Pro tribute Package only ( keep forever)		10.00	11.00	10.0%
Visual Tributes				
single photo ( first)		free of charge	free of charge	
single photo per photo thereafter		12.00	13.50	12.5%
Slideshow upto and including 25 images		38.00	45.00	18.4%
family made		18.00	22.00	22.2%
Pro tribute (upto and including 25 images and personalised title presented as video)		70.00	77.00	10.0%
Tribute misc				
Each extra 25 photos ( slideshow and protribute packages_)		21.00	22.50	7.1%
Extra work		21.00	22.50	7.1%
Services for young people aged 18 and under - live webcast, single photo and webcast alternatively if another service chosen credit of these items may be applied.		free of charge	free of charge	

\*= includes VAT at 20%

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	Proposed	
	£			%

**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 *	5.05 *	5.10	1.0%
Adult swim (16 years of age and over) - Off Peak	4.60 *	4.74 *	4.80	1.3%
Junior, concessions	3.50 *	3.61 *	3.70	2.5%

**Showers**

Shower (senior citizen)	2.30 *	2.37 *	2.40	1.3%
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**Special Activities**

Badminton Court per hour - super saver	7.70 *	7.93 *	8.00	0.9%
Group Games per hour - super saver	37.50 *	38.63 *	38.70	0.2%
Squash/Racquetball, per half hour - super saver	5.60 *	5.77 *	5.80	0.5%
Squash/Racquetball, per hour - super saver	8.60 *	8.86 *	8.90	0.5%
Table Tennis	5.70 *	5.87 *	5.90	0.5%

**Off Peak Charges - Concessions**

Competition Pool	3.50 *	3.61 *	3.70	2.5%
Leisure Pool	4.90 *	5.05 *	5.10	1.0%
Ice Rink	4.70 *	4.84 *	4.90	1.2%
Ten Pin (single game) - now includes shoe hire	5.60 *	5.77 *	5.80	0.5%
Health Suite: relaxation area	4.60 *	4.74 *	4.80	1.3%
Fitness Area	5.10 *	5.25 *	5.30	1.0%
Athletics	3.90 *	4.02 *	4.10	2.0%

\*= includes VAT at 20%

	2021-22 From 1 April 2021 £	2022-23 From 1 April 2022	2023-24 Proposed	Increase %
<b>Guildford Lido - To be approved by Council</b>				
<b>Standard</b>				
Adult	6.90 *	7.11 *	7.20	4.3%
Junior	5.20 *	5.36 *	5.40	3.8%
Concessions	5.20 *	5.36 *	5.40	3.8%
Family	22.00 *	22.66 *	22.70	3.2%
<b>Off Peak</b>				
Adult	5.70 *	5.87 *	5.90	3.5%
Junior	4.10 *	4.22 *	4.30	5.0%
Concessions	4.10 *	4.22 *	4.30	5.0%
Family	17.50 *	18.03 *	18.10	3.4%
<b>Season Tickets</b>				
Adult	150.00 *	154.50 *	154.50	3.0%
Junior	115.00 *	118.45 *	118.50	3.0%
Student	115.00 *	118.45 *	118.50	3.0%
Senior citizen	95.00 *	97.85 *	97.90	3.1%
Concessionary Groups - All Times	4.10 *	4.22 *	4.30	5.0%
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 *	2.06 *	2.10	5.0%
Crazy Golf	1.00 *	1.03 *	1.10	10.0%
<b>Gym</b>				
<b>Pay as You Train - Peak</b>				
Adult Fitness Session	6.50 *	6.70 *	6.70	3.0%
Student/Senior/Concessionary Fitness Session	4.50 *	4.64 *	4.70	4.3%
Enhanced Induction Course	29.50	30.39	30.40	3.0%
Fast Track/Concessionary Induction	17.50	18.03	18.10	3.4%
<b>Pay as You Train - Off Peak</b>				
Adult Fitness Session	5.30 *	5.46 *	5.50	3.8%
Student/Senior/Concessionary Fitness Session	3.30 *	3.40 *	3.40	3.0%
Enhanced Induction Course	29.50	30.39	30.40	3.0%
Fast Track/Concessionary Induction	17.50	18.03	18.10	3.4%

\*= includes VAT at 20%

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	Proposed	%
	£			%
<b>Membership</b>				
Annual Membership - Concessions	308.00 *	317.24 *	317.30	3.0%
Monthly Membership - Concessions	27.70 *	28.53 *	28.60	3.3%
<b>Ash Manor Sports Centre - To be approved by Council</b>				
<b>Main Sports Hall</b>				
Badminton per hour - peak	9.80 *	10.09 *	10.10	3.1%
Badminton per hour - off-peak	7.80 *	8.03 *	8.10	3.9%
Group Games per hour - peak	44.50 *	45.84 *	45.90	3.1%
Group Games per hour - off-peak	37.50 *	38.63 *	38.70	3.2%
Fitness & Group Exercise Classes (min price)	5.50 *	5.67 *	5.70	3.5%
Badminton - Junior	3.50 *	3.61 *	3.70	5.6%
<b>Gymnasium</b>				
Group Games per hour - peak	28.50 *	29.36 *	29.40	3.1%
Group Games per hour - off-peak	21.00 *	21.63 *	21.70	3.3%
Table tennis - per hour - peak and off peak	6.50 *	6.70 *	6.70	3.0%
<b>Equipment Hire - Adults only (£10.00 deposit)</b>				
Badminton Racquet/Table Tennis bat	2.50 *	2.58 *	2.60	3.8%
Football	4.00 *	4.12 *	4.20	5.0%
<b>Outside Court (Playground) - per hour</b>				
With floodlights	21.00 *	21.63 *	21.70	3.3%
Without floodlights	13.00 *	13.39 *	13.40	3.1%
<b>Artificial Pitch</b>				
1 hour without lights	73.00 *	75.19 *	75.20	3.0%
1 hour with lights	95.00 *	97.85 *	97.90	3.1%
2 hours without lights	144.00 *	148.32 *	148.40	3.1%
2 hours with lights	188.00 *	193.64 *	193.70	3.0%
1/4 with lights, per hour	39.00 *	40.17 *	40.20	3.1%
1/4 without lights, per hour	30.00 *	30.90 *	30.90	3.0%
<b>Health &amp; Fitness</b>				
Annual Membership - Junior	220.00 *	226.60 *	226.60	3.0%
Annual Membership - Concessions	251.00 *	258.53 *	258.60	3.0%
Monthly Membership - Junior	20.00 *	20.60 *	20.60	3.0%
Monthly Membership - Concessions	25.00 *	25.75 *	25.80	3.2%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> Proposed	<b>Increase</b> %
<b>Pay as you Train - Peak</b>				
Adult Fitness Session	6.70 *	6.90 *	6.90	3.0%
Student/Senior/Concessionary Fitness Session	6.70 *	6.90 *	6.90	3.0%
Enhanced Induction Course	30.00	30.90	30.90	3.0%
Concessionary Induction	19.00	19.57	19.60	3.2%
<b>Pay as you Train - Off Peak</b>				
Off Peak Fitness Sessions - Adult	6.00 *	6.18 *	6.20	3.3%
Off Peak Fitness Sessions - Junior & Concessions	4.50 *	4.64 *	4.70	4.3%
Enhanced Induction Course	19.00	19.57	19.60	3.2%
Induction - Juniors & Concessions				
<b>GP Referral</b>				
Off Peak	4.50 *	4.64 *	4.70	4.3%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>Proposed</b>	<b>Increase</b>  %
<b>To be approved by Council</b>				
<b>Education Sessions, 39.5 Castle Street</b>				
Cost per child <sup>1</sup>				
Victorian schoolroom	6.80	7.00	7.30	4.3%
Victorian playroom	6.50	6.70	6.90	3.0%
<sup>1</sup> A minimum charge equivalent to 25 child places is payable for all bookings				
Loan boxes (per box, for 3 weeks)		11.00	11.40	3.6%
<b>Adult education, History of Guildford class</b>				
Twenty sessions (subject to change depending on course requirements)	112.00	115.00	118.50	3.0%
<b>Exhibition Space Hire, Heritage Buildings</b>				
<b>Guildford House</b>				
Brew House - one week hire	170.00	175.00	180.30	3.0%
Main House - Garden Room - three week hire	370.00	380.00	391.40	3.0%
Main House - First Floor: Pine Room, Study, Landing, Powell Room - three week hire	835.00	860.00	885.80	3.0%
Main House exhibitions are open to the public for a minimum of three weeks (currently 5 days per week) , with the first and last day of the exhibition normally being on a Saturday.				
<b>Private View of Exhibitions</b>				
Main House, Daytime 12.00pm - 2.00pm	200.00	210.00	216.30	3.0%
Main House, Evening 7.00pm - 9.00pm	350.00	360.50	371.40	3.0%
Brew House, Saturdays 12.00pm - 2.00pm	80.00	82.40	84.90	3.0%
Full House - all rooms		1240.00	1277.20	3.0%
<b>Venue Hire, Heritage Buildings</b>				
<b>The Brew House, Guildford House</b>				
Weekdays and Saturdays				
Half Day, 9.00am -12.00pm or 1.00pm - 4.00pm	110.00	120.00	123.60	3.0%
Full Day, 9.00am - 4.00pm	210.00	225.00	231.80	3.0%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>Proposed</b>	<b>Increase</b>  %
<b>Guildford Castle</b>				
<u>Day Hire</u>				
(a) Weekdays				
Half day, 9.00am - 1.00pm or 1.00pm - 5.00pm	220.00	230.00	236.90	3.0%
Full day, 9.00am - 5.00pm	395.00	410.00	422.30	3.0%
Evenings, 5.00pm - 9.30pm	420.00	435.00	448.10	3.0%
Available October - March				
(b) Weekends				
Saturday or Sunday, 9am - 1pm or 1pm - 5pm	240.00	250.00	257.50	3.0%
Saturday or Sunday, 9am - 5pm	440.00	455.00	468.70	3.0%
Evenings, 5.00pm - 9.30pm	450.00	465.00	479.00	3.0%
Available November - March				
<b>Guildford Museum</b>				
<u>Daily rates (Museum meeting room+)</u>				
Half Day 9.00am -12.00pm or 1.00pm - 4.00pm	55.00	60.00	61.80	3.0%
Full day 9.00am - 4.00pm	100.00	110.00	113.30	3.0%
<b>Guildhall</b>				
<u>Guildhall whole building</u>				
(a) Weekdays				
Morning, 9.00am - 1.00pm	330.00	350.00	360.50	3.0%
Afternoon, 1.00pm - 5.00pm	330.00	350.00	360.50	3.0%
Whole Day, 9.00am - 5.00pm	550.00	590.00	607.70	3.0%
Evening, 5.00pm - 10.00pm	450.00	500.00	515.00	3.0%
(b) Weekends				
Saturday 9.00am - 5.00pm	590.00	620.00	638.60	3.0%
Saturday 5.00pm - 12.00am	590.00	620.00	638.60	3.0%
Sunday 9.00am - 5.00pm	590.00	620.00	638.60	3.0%
Sunday 5.00pm - 12.00am	590.00	620.00	638.60	3.0%

\* = includes VAT at 20%

		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>	
		From 1 April 2021	From 1 April 2022	<b>Proposed</b>	<b>%</b>	
		£				
<u><b>Guildhall Court Room</b></u>						
Weekdays						
	Morning, 9.00am - 1.00pm	240.00	250.00	257.50	3.0%	
	Afternoon, 1.00pm - 5.00pm	240.00	250.00	257.50	3.0%	
	Whole Day, 9.00am - 5.00pm	450.00	480.00	494.40	3.0%	
	Evening, 5.00pm - 10.00pm	350.00	400.00	412.00	3.0%	
<u><b>Guildhall Council Chamber</b></u>						
Weekdays						
	Morning, 9.00am - 1.00pm	240.00	250.00	257.50	3.0%	
	Afternoon, 1.00pm - 5.00pm	240.00	250.00	257.50	3.0%	
	Whole Day, 9.00am - 5.00pm	450.00	480.00	494.40	3.0%	
	Evening, 5.00pm - 10.00pm	350.00	400.00	412.00	3.0%	
	All rooms excess charge for evening hire after 10.00pm (per hour)	75.00	80.00	82.40	3.0%	
<b>Admission Charges, Guildhall</b>						
	Adult admission	*	2.00	2.20	2.30	4.4%
	Child admission (under 5s free)	*	1.00	1.20	1.30	8.0%
<b>Admission Charges, Guildford Castle</b>						
	Adult admission	*	3.50	3.70	3.90	5.4%
	Child admission (under 5s free)	*	2.00	2.20	2.30	4.4%
<b>Joint admission ticket Guildhall and Guildford Castle</b>						
	Adult admission	*	N/A	N/A		
	Child admission	*	N/A	N/A		
<b>Family ticket Guildford castle</b>						
	Family ticket to cover 2 adults and 2 children	*	10.00	11.00	11.40	3.6%

\*= includes VAT at 20%



	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-24</b> <b>Proposed</b>	<b>Increase</b>  %
<b>Image licensing and reproductions</b>				
Reproduction fees for the use of images from Guildford Borough Council's heritage collections. These fees are for the use of the image, not for the costs of producing it. The fees are for the reproduction of one image.				
Academic journals and research publications that are not for profit	10.00	11.00	11.40	3.6%
Commercial publications with print runs up to 1,000 copies, one country / language	30.00	31.00	32.00	3.2%
Commercial publications with print runs up to 10,000 copies, one country / language	50.00	51.00	52.60	3.1%
Commercial publications with print runs over 10,000 copies, one country / language	70.00	72.00	74.20	3.1%
Books and magazine covers	100.00	103.00	106.10	3.0%
Television, one production, one country and one language	100.00	103.00	106.10	3.0%
Digital use for academic use that is not for profit	10.00	11.00	11.40	3.6%
Digital use commercial	10.00	11.00	11.40	3.6%

All requests are subject to a £12 administration fee. 20% discount will be applied where more than five images are used.

\*= includes VAT at 20%

CAR PARK TYPE	CAR PARKS	SPACES	DAYTIME- MONDAY TO SATURDAY				EVENINGS		SUNDAY
			1st hour	2nd hour	3rd hour	Each subsequent hour	Per Visit	Per Visit	Per Visit
			Mon-Sat incl Bank Holidays 8am-6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
M	Bedford Road	1033	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Millbrook	244	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	G Live	220	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Mary Road	107	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Bright Hill	121	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Bedford Road Surface	68	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Mon-Sat incl Bank Holidays 8am-6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
M / P	Castle Car Park	350	price on application	price on application	price on application	price on application	price on application	price on application	price on application
M	Leapale Road	384	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Commercial Rd 2	52	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Old Police Station	62	price on application	price on application	price on application	price on application	price on application	price on application	price on application
S	Upper High Street	49	price on application	price on application	price on application	price on application	price on application	price on application	price on application
P	Tunsgate	62	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Mon-Sat incl Bank Holidays 7am-7pm				Mon-Sat 7pm-7am & Sun 12.01-11am & Sun 5pm-Mon 7am (per hour)		Sun 11am-5pm Per Visit
M / P	Farnham Road	917	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Mon-Sat incl Bank Holidays 8am -6pm				Mon-Sat 6pm-10pm (Per Visit)	Sun 5pm-10pm (Per visit)	Sun 11am-5pm Per Visit
M / P	York Road	605	price on application	price on application	price on application	price on application	price on application	price on application	price on application
			Saturday Parking and Bank Holidays 8am -6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
S	Millmead House (Front)	27	Mon-Fri - For Visitors to Council only			price on application	Closed	Closed	price on application
S	Lawn Road	87	Mon-Fri - Contract Car Park (unavailable to public)				Closed	Closed	price on application
S	Robin Hood	23					Closed	Closed	price on application
S	St Josephs	71					Closed	Closed	price on application
S	Portsmouth Road	98					price on application	price on application	price on application
			Mon-Fri incl Bank Holidays 8am- 6pm			Saturday 8am -6pm	Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
S	Guildford Park	220	price on application			price on application	Free	Free	Free
S	Shalford Park	66	price on application			Closed	Free	Closed	Closed
S	Walnut Tree Close	17	price on application			Free	Free	Free	Free
S	Ash Vale Station	29	price on application			Free	Free	Free	Free
			Mon-Thurs 8am-6pm			Fri-Sat	Mon-Thurs 6pm - 10pm & Sat 8pm-10pm	Sun 5pm-10pm	Sun 11am-5pm
S	North Street	49	price on application			Closed	price on application	price on application	price on application

All of the above charges include VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b>To be approved by Council</b>				
<b>Statutory Planning Fees can be found by referring to current government legislation.</b>				
The Planning Portal is the UK online planning and building regulations resource- <a href="http://www.planningportal.gov.uk/planning/planningpolicyandlegislation/currentlegislation/statutoryinstruments">http://www.planningportal.gov.uk/planning/planningpolicyandlegislation/currentlegislation/statutoryinstruments</a>				
<b>Decision Notices</b>				
Planning Decisions (TP3s) - post 2005 on website	20.50 *	21.50 *	22.50	4.7%
Planning Appeal Decisions - post 2005 on website	20.50 *	21.50 *	22.50	4.7%
Planning Legal agreements (Section 106 etc.) - if available on website (New)	20.50 *	21.50 *	22.50	4.7%
Tree Preservation Orders (if available on website)	20.50 *	21.50 *	22.50	4.7%
BC Completion Certificate pre 2001	20.50 *	21.50 *	22.50	4.7%
BC Completion Letter pre 1991	20.50 *	21.50 *	22.50	4.7%
<b>Section 106 Agreements monitoring fee</b>	750.00	772.50	800.00	3.6%
<b>Self-build and Custom Housebuilding Register</b>				
Initial entry on the register	27.00	28.00	29.00	3.6%
Initial entry fee for additional members of an Association	11.00	11.50	12.00	4.3%
Initial entry onto Part 2 of the register	11.00	11.50	12.00	4.3%
Annual fee for remaining on Part 1 and Part 2 the register	11.00	11.50	12.00	4.3%
<b>All charges are per document</b>				
<b>If the above information is not available on our website the photocopying charges listed below will apply:-</b>				
<b>Photocopy Charges</b>				
Plan Copying(A2-A0)	14.00	15.00	15.50	3.3%
Photocopying Charges (black and white A4)	0.36 *	0.50 *	0.60	20.0%
Photocopying Charges (black and white A3)	0.36 *	0.50 *	0.60	20.0%
Photocopying Charges (colour A4)	0.62 *	1.00 *	1.10	10.0%
Photocopying Charges (colour A3)	0.62 *	1.00 *	1.10	10.0%
<b>Supply of information to professional organisations</b>				
General enquiries (one off charge)	74.00 *	77.00 *	80.00	3.9%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
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Tables A,B, C, (domestic) D and E (commercial) for Building Control fees are available on the web site or from the Building Control office

**Pre Application Advice**

**Householder and new dwellings**

**Category: BRONZE**

Householder	80.00 *	83.00 *	85.50	3.0%
1-4 dwellings	250.00 *	258.00 *	265.80	3.0%
5-9 dwellings	500.00 *	515.00 *	530.50	3.0%
10-49 dwellings	750.00 *	773.00 *	796.20	3.0%

**Category: SILVER**

Householder	180.00 *	186.00 *	191.60	3.0%
1-4 dwellings	450.00 *	464.00 *	478.00	3.0%
5-9 dwellings	700.00 *	721.00 *	742.70	3.0%
10-49 dwellings	1,000.00 *	1030.00 *	1060.90	3.0%
50+ dwellings	2,500.00 *	2575.00 *	2652.30	3.0%

**Category: GOLD**

Householder				
1-4 dwellings				
5-9 dwellings	1,200.00 *	1236.00 *	1273.10	3.0%
10-49 dwellings	1,750.00 *	1803.00 *	1857.10	3.0%
50+ dwellings	5,000.00 *	5150.00 *	5304.50	3.0%

**Category: PLATINUM**

Householder	Not applicable	Not applicable	Not applicable	
1-4 dwellings	Not applicable	Not applicable	Not applicable	
5-9 dwellings	Not applicable	Not applicable	Not applicable	
10-49 dwellings	Price on application *	Price on application *	Price on application	
50+ dwellings	Price on application *	Price on application *	Price on application	

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b>Extras</b>				
<b>Additional plans</b>				
Householder	84.00 *	Not applicable	Not applicable	0.0%
1-4 dwellings	168.00 *	174.00 *	179.30	3.0%
5-9 dwellings	335.00 *	346.00 *	356.40	3.0%
10-49 dwellings	565.00 *	582.00 *	599.50	3.0%
50+ dwellings	845.00 *	871.00 *	897.20	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00 *	174.00 *	179.30	3.0%
<b>Additional meetings</b>				
Householder	Not applicable	Not applicable	Not applicable	
1-4 dwellings	335.00 *	346.00 *	356.40	3.0%
5-9 dwellings	450.00 *	464.00 *	478.00	3.0%
10-49 dwellings	675.00 *	696.00 *	716.90	3.0%
50+ dwellings	900.00 *	927.00 *	954.90	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	346.00 *	356.40	3.0%
<b>Commercial and other development</b>				
<b>Category: BRONZE</b>				
Commercial up to 250 sq metres	168.00 *	174.00 *	179.30	3.0%
Commercial up to 500 sq metres	280.00 *	289.00 *	297.70	3.0%
Commercial up to 1000 sq metres	450.00 *	464.00 *	478.00	3.0%
Commercial up to 2500 sq metres	565.00 *	582.00 *	599.50	3.0%
Commercial over 2500 sq metres	845.00 *	871.00 *	897.20	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	Not applicable	
<b>Category: SILVER</b>				
Commercial up to 250 sq metres	280.00 *	289.00 *	297.70	3.0%
Commercial up to 500 sq metres	400.00 *	412.00 *	424.40	3.0%
Commercial up to 1000 sq metres	735.00 *	758.00 *	780.80	3.0%
Commercial up to 2500 sq metres	845.00 *	871.00 *	897.20	3.0%
Over 2500 sq metres	1,150.00 *	1185.00 *	1220.60	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	400.00 *	412.00 *	424.40	3.0%

\* = includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b>Category: GOLD</b>				
Commercial up to 250 sq metres				
Commercial up to 500 sq metres	845.00 *	871.00 *	897.20	3.0%
Commercial up to 1000 sq metres	965.00 *	994.00 *	1023.90	3.0%
Commercial up to 2500 sq metres	1,700.00 *	1751.00 *	1803.60	3.0%
Over 2500 sq metres	2,250.00 *	2318.00 *	2387.60	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	900.00 *	927.00 *	954.90	3.0%
<b>Category: PLATINUM</b>				
Commercial up to 250 sq metres	Not applicable	Not applicable	Not applicable	
Commercial up to 500 sq metres	Not applicable	Not applicable	Not applicable	
Commercial up to 1000 sq metres	Not applicable	Not applicable	Not applicable	
Commercial up to 2500 sq metres	Not applicable	Not applicable	Not applicable	
Over 2500 sq metres	Price on application *	Price on application *	Price on application	
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	Not applicable	
<b>Extras</b>				
<b>Additional plans</b>				
Commercial up to 250 sq metres	84.00 *	87.00 *	89.70	3.1%
Commercial up to 500 sq metres	168.00 *	174.00 *	179.30	3.0%
Commercial up to 1000 sq metres	335.00 *	346.00 *	356.40	3.0%
Commercial up to 2500 sq metres	565.00 *	582.00 *	599.50	3.0%
Commercial over 2500 sq metres	845.00 *	871.00 *	897.20	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00 *	174.00 *	179.30	3.0%
<b>Meeting</b>				
Commercial up to 250 sq metres				
Commercial up to 500 sq metres	335.00 *	346.00 *	356.40	3.0%
Commercial up to 1000 sq metres	450.00 *	464.00 *	478.00	3.0%
Commercial up to 2500 sq metres	675.00 *	696.00 *	716.90	3.0%
Commercial over 2500 sq metres	900.00 *	927.00 *	954.90	3.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	346.00 *	356.40	3.0%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
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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 *	90.70	3.1%
Per subsequent hours	58.00 *	58.00 *	59.80	3.1%

##### **General tree advice**

First hour	88.00 *	88.00 *	90.70	3.1%
Per subsequent hours	58.00 *	58.00 *	59.80	3.1%

##### **Tree survey on proposed development site**

Per hour	88.00 *	88.00 *	90.70	3.1%
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##### **High Hedges**

	600.00	618.00	636.60	3.0%
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**Conservation Area Character Appraisals and Landscape Character Assessments are available to download for free on our website- price on application for printed copies**

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b><u>Local Plan Documents</u></b>				
<b><u>Examination Documents</u></b>				
Guildford borough Local Plan Strategy and Sites Adopted 25th April 2019	47.50	49.00	50.50	3.1%
Submission Local Plan: strategy and sites - Main Modifications (2018)	43.50	45.00	46.00	2.2%
Schedule of Main Modifications to the Plan (2018)	15.00	15.50	16.00	3.2%
Schedule of Minor Modifications to the Plan (2018)	15.00	15.50	16.00	3.2%
<b><u>Submission Documents</u></b>				
Submission Local Plan: strategy and sites (2017)	43.50	45.00	46.50	3.3%
Guildford borough Proposed Submission Local Plan: strategy and sites (2016)	43.50	45.00	46.50	3.3%
Schedule of proposed minor modifications to Submission Local Plan (2017)	15.00	15.50	16.00	3.2%
Track changed version of Submission Local Plan (2017)	43.50	45.00	46.50	3.3%
Sustainability Appraisal (SA) and Non-technical Summary (2017)	26.50	27.50	28.00	1.8%
Habitat Regulations Assessment (HRA) (2017)	16.50	17.00	17.50	2.9%
Equalities Impact Assessment (EIA) Screening (2014)	3.00	3.25	3.50	7.7%
Local Development Scheme (LDS) (2017)	3.00	3.25	3.50	7.7%
Consultation Statement (2017)	135.00	139.00	143.20	3.0%
Community Involvement in Planning (2013)	9.00	9.25	9.50	2.7%
Monitoring Report 2016/17 (2017)	9.00	9.25	9.50	2.7%
<b>Housing</b>				
West Surrey Strategic Housing Market Assessment (SHMA) (2015)	33.00	34.00	35.00	2.9%
West Surrey SHMA - Guildford Summary Report (2015)	9.00	9.50	10.00	5.3%
West Surrey SHMA: Guildford Addendum Report 2017 (2017)	15.50	16.00	16.50	3.1%
Review of Housing Needs Evidence across West Surrey HMA (2017)	9.00	9.50	10.00	5.3%
Traveller Accommodation Assessment (TAA) (2017)	16.50	17.00	17.50	2.9%
Land Availability Assessment (LAA) (2017)	74.00	76.00	78.00	2.6%
Land Availability Assessment (LAA) (2016)	74.00	76.00	78.00	2.6%
<b>Employment</b>				
Employment Land Needs Assessment (ELNA) (2017)	16.50	17.00	17.50	2.9%
West Surrey Functional Economic Market Area (FEMA) (2016)	3.00	3.25	3.50	7.7%
Retail and Leisure Update Study (2014)	31.00	32.00	33.00	3.1%
Guildford Retail and Leisure Study Addendum (2017)	9.00	9.50	10.00	5.3%

\*= includes VAT at 20%



	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> <b>%</b>
<b>Protecting and Design</b>				
Historic Environment Information (2016)	45.00	46.50	48.00	3.2%
Environmental Sustainability and Climate Change Study (2013)	12.00	12.50	13.00	4.0%
Assessment of the Viability of Carbon Emission Targets for New Builds (2017)	26.00	27.00	28.00	3.7%
Guildford Renewable Energy Mapping Study (2015)	15.00	15.50	16.00	3.2%
Green Belt and Countryside Study , Volumes I – VI	345.00	355.50	366.00	3.0%
Green Belt and Countryside Study - volume I	29.00	30.00	31.00	3.3%
Green Belt and Countryside Study - volume II	67.00	69.00	71.00	2.9%
Green Belt and Countryside Study - volume II appendix III	127.50	131.50	135.50	3.0%
Green Belt and Countryside Study - volume III	57.50	59.00	61.00	3.4%
Green Belt and Countryside Study - volume III appendix VI	50.50	52.00	53.50	2.9%
Green Belt and Countryside Study - volume IV	45.50	47.00	48.50	3.2%
Green Belt and Countryside Study - volume V	129.00	133.00	137.00	3.0%
Green Belt and Countryside Study - volume VI	5.00	5.25	5.50	4.8%
Landscape Character Assessment (4 volumes) (2007):				
- Volume 1 - Rural Assessment	26.00	27.00	28.00	3.7%
- Volume 2 - Rural-Urban Fringe Assessment	21.00	21.50	22.00	2.3%
- Volume 3 - Townscape Assessment	21.00	21.50	22.00	2.3%
- Volume 4 - Countryside Character Areas	5.00	5.25	5.50	4.8%
Surrey Hills AONB Areas of Search Natural Beauty Evaluation Report (2013)	10.50	11.00	11.50	4.5%
Thames Basin Heaths Special Protection Area Avoidance Strategy Supplementary Planning Document (2017)	10.50	11.00	11.50	4.5%
Sites of Nature Conservation Importance (SNCI) Surveys 2004-2007	9.00	9.50	10.00	5.3%
SNCI Survey Report – Former Wisley airfield (2016)	10.50	11.00	11.50	4.5%
SNCI Survey Report – Little Flexford (2016)	9.00	9.25	9.50	2.7%
Strategic Flood Risk Assessment (SFRA)				
- Level 1 SFRA: Summary Report (2016)	5.50	5.75	6.00	4.3%
- Level 1 SFRA: Volume 1 - Final Decision Support	12.50	13.00	13.50	3.8%
- Level 1 SFRA: Volume 2 - Technical Report (2016)	11.00	11.50	12.00	4.3%
- Level 1 SFRA: Flood risk Sequential and Exception Test (2017)	9.50	10.00	10.50	5.0%
- Level 2 SFRA (2016)	24.00	24.50	25.00	2.0%
- Level 2 SFRA: 2017 Addendum (2017)	9.00	9.25	9.50	2.7%
Surface Water Management Plan (Six documents)	21.00	21.50	22.00	2.3%

\* = includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b>Infrastructure and Delivery</b>				
Guildford borough Infrastructure baseline (Guildford Borough Council, July 2013)	25.00	26.00 16.00	27.00	3.8%
Guildford borough Infrastructure Delivery Plan (IDP) (Guildford Borough Council, December 2017)	15.50		16.50	3.1%
Local Plan and CIL Viability Study (2016)	15.50	16.00	16.50	3.1%
Local Plan Viability Update (2017)	9.00	9.50	10.00	5.3%
Guildford Education Review (2016)	5.50	5.75	6.00	4.3%
Open Space, Sports and Recreation Assessment (2017)	52.00	53.50	55.00	2.8%
Guildford Assessment of Sites for Amenity Value (2017)	19.00	19.50	20.00	2.6%
Settlement Hierarchy Study (2014)	23.00	23.50	24.00	2.1%
Settlement Profiles (2013)	20.00	20.50	21.00	2.4%
Water Quality Assessment (2017)	9.00	9.25	9.50	2.7%
<b>Transport</b>				
Guildford Borough Transport Strategy 2017 (December 2017)	10.50	11.00	11.50	4.5%
Strategic Highway Assessment for the Guildford borough Proposed Submission: strategy and sites (various years)	18.50	19.00	19.50	2.6%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development sc	15.50	16.00	16.50	3.1%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development sc	15.50	16.00	16.50	3.1%
Guildford Town and Approaches Movement Study (2015)	62.00	64.00	66.00	3.1%
Guildford Town Centre Parking Strategic Review (2013)	15.50	16.00	16.50	3.1%
A Sustainable Parking Strategy for Guildford 2016 (Guildford Borough Council, 2016)	10.50	10.75	11.00	2.3%
Parking Business Plan 2017 (Guildford Borough Council, 2017)	10.50	10.75	11.00	2.3%
Draft Guildford Town Centre Vision (Allies and Morrison Urban Practitioners, June 2014)	15.50	16.00	16.50	3.1%
Guildford Town Centre and Hinterland Masterplan Report: Final draft report for consultation (various years)	26.00	27.00	28.00	3.7%
Guildford Town Centre Regeneration Strategy 2017 (Guildford Borough Council, January 2017)	15.50	16.00	16.50	3.1%
Guildford Local Cycling Plan (Surrey County Council, undated circa 2015) [Accessed 6/12/2017]	15.50	16.00	16.50	3.1%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b>Other Supporting Documents</b>				
Habitat Regulations Assessment (HRA) Screening (2013)	10.00	10.25	10.50	2.4%
Sustainability Appraisal (SA) Scoping Report (2013)	10.50	10.75	11.00	2.3%
SA site assessment criteria	5.00	5.25	5.50	4.8%
Guildford borough Local Plan Strategy and Sites Issues and Options (2013)	31.00	32.00	33.00	3.1%
Community Engagement Statement (Issues and Options) (2014)	10.50	10.75	11.00	2.3%
Initial Sustainability Appraisal (SA) (2013)	25.50	26.25	27.00	2.9%
Statement of Community Engagement (draft Local Plan) (2014)	5.00	5.25	5.50	4.8%
Interim Sustainability Appraisal (SA) Report (2014)	15.50	16.00	16.50	3.1%
Sustainability Appraisal (SA) of the Guildford borough Local Plan (2016)	25.50	26.25	27.00	2.9%
Sustainability Appraisal (SA) non-technical summary (2016)	3.00	3.25	3.50	7.7%
Guildford Local Plan HRA update May 2018	15.50	16.00	16.50	3.1%
<b>Neighbourhood Plans</b>				
Burpham Neighbourhood Plan	15.50	16.00	16.50	3.1%
Effingham Neighbourhood Plan	15.50	16.00	16.50	3.1%
East Horsley Neighbourhood Plan	15.50	16.00	16.50	3.1%
<b>Topic Papers</b>				
Topic paper: Duty to Cooperate (2017)	69.00	71.00	73.00	2.8%
Topic paper: Transport (2017)	22.00	22.75	24.00	5.5%
Topic paper: Green Belt and Countryside (2017)	14.50	15.00	15.50	3.3%
Topic paper: Housing Delivery (2017)	12.00	12.25	12.50	2.0%
Topic paper: Employment (2017)	12.50	13.00	13.40	3.1%
Topic paper: Retail and Town Centre (2017)	4.50	4.75	5.00	5.3%
Topic paper: Leisure and Tourism (2017)	17.00	17.50	18.00	2.9%
Topic paper: Housing Type Tenure and Mix (2017)	2.00	2.00	2.00	0.0%
Topic paper: Flood Risk (2017)	14.50	15.00	15.50	3.3%
Topic paper: Environmental Sustainability and Climate Change (2017)	4.00	4.25	4.50	5.9%
Topic paper: Green and Blue Infrastructure (2017)	3.50	3.75	4.00	6.7%
<b>Supplementary Planning Guidance</b>				
Residential Extensions and Alterations SPD	20.00	20.50	21.00	2.4%
Thames Basin Heath Special Protection Area Avoidance Strategy (2017) SPD	10.00	10.25	10.50	2.4%
Guildford Town Centre Views SPD (2019)	23.00	23.75	24.50	3.2%
<b>Development Briefs and Other Strategies</b>				
Thames Basin Heath Special Protection Area Avoidance Strategy (2017)	10.00	10.25	10.50	2.4%

\*= includes VAT at 20%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
<b>Postage and packing</b>				
Small documents	1.60 *	1.75 *	2.00	14.3%
Large documents	4.00 *	4.25 *	4.50	5.9%
Draft Local Plan- first class	16.75 *	17.25 *	18.00	4.3%
Draft Local Plan- second class	14.75 *	15.25 *	15.80	3.6%
 <b>The above Local Plan documents are available to download for free on our website</b>				
 <b>Land Charges Search Fees -(VAT introduced on 31st March 2017)</b>				
Basic Fee- domestic	188.00 *	189.20 *	194.60	2.9%
LLC1 Only- domestic	40.00	40.00	40.00	0.0%
Con 29R Only- domestic	148.00 *	149.20 *	154.60	3.6%
Basic Fee- commercial	255.00 *	256.20 *	261.60	2.1%
LLC1 Only- commercial	60.00	60.00	60.00	0.0%
Con 29R Only- commercial	195.00 *	196.20 *	201.60	2.8%
Con29 Additional Questions- Surrey County Council	20.40 *	21.00 *	23.00	9.5%
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%

	<b>2021-22</b> From 1 April 2021 £	<b>2022-23</b> From 1 April 2022	<b>2023-34</b> <b>Proposed</b>	<b>Increase</b> %
House name change	51.50	51.50	60.00	16.5%

**House Name**  
House name change

\*= includes VAT at 20%

	2021-22 From 1 April 2021 £	2022-23 From 1 April 2022 £	2023-24 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Farmers Market</b>				
Stall Charge (per market, per linear metre of frontage)	9.90	10.20	11.90	16.7%
Fee Supplement	4.00	4.15	0.00	-100.0%
Car Parking	* 9.00 *	9.30 *	9.60	3.2%
<b>Standard charges</b>				
<b>Poster Boards</b>				
<b>Commercial advertising</b>				
10 x 4ft boards			75.00	
Band A posters			53.00	
Band B posters			40.00	
<b>Non commercial advertising</b>				
10 x4ft banners			48.00	
Band A posters			43.00	
Band B posters			32.00	

\*= includes VAT at 20%

	2021-22		2022-23		2023-24	Increase
	From 1 April 2021		From 1 April 2022		Proposed	%
	£		£			
<b>High Street Banner</b>						
<b>Commercial</b>						
Upper High Street - Rental per space - Rental per week	*	390.00	*	401.70	*	325.00 -19.1%
Upper High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	*	142.80	*	147.10	*	120.00 -18.4%
Lower High Street - Rental per space - Rental per week	*	390.00	*	401.70	*	400.00 -0.4%
Lower High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	*	142.80	*	147.10	*	145.00 -1.4%
<b>Non commercial</b>						
Upper High Street - Rental per space - Rental per week						245.00
Upper High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)						90.00
Lower High Street - Rental per space - Rental per week						300.00
Lower High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)						110.00
<b>North Street Rotunda</b>						
<b>Commercial charges for full day</b>						
-Weekday		125.00		128.75		100.00 -22.3%
- Saturday		200.00		206.00		150.00 -27.2%
- Sunday		165.00		169.95		100.00 -41.2%
<b>Non commercial charges for full day</b>						
-Weekday		60.00		61.80		50.00 -19.1%
- Saturday		100.00		103.00		75.00 -27.2%
- Sunday		80.00		82.40		50.00 -39.3%

\*= includes VAT at 20%

	2021-22 from 1 April 2021 £	2022-23 from 1 April 2022	2023-24 Proposed	Increase %
<b>To be approved by Council</b>				
<b>House Purchase Fees</b>				
Right to Buy Engrossment Fee	88.00	90.64	93.40	3.0%
Leasehold Enquires	132.00	135.96	140.00	3.0%
(b) Equity Share Lease Surrender	113.00	116.39	119.90	3.0%
<b>Road Closure Application Fee</b>	150.00	154.50	159.10	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

**Section 106 Agreements**

Suitable Access to Natural Green Space (SANGS) Section 106 agreement or Unilateral Undertaking	750.00	772.50	772.50	0.0%
Section 106 agreement or Unilateral Undertaking (development up to 25 dwellings)	1,145.00	1179.35	1179.40	0.0%
Section 106 agreement or Unilateral Undertaking (development exceeding 25 up to 50 dwellings)	2,275.00	2343.25	2343.30	0.0%
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	
Section 106 agreement (Major applications, small scale, large scale)	Minimum of £2,275 **	Minimum of £2,275	Minimum of £2,275	

\*\*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%



	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2022	<b>2023-24</b> <b>Proposed</b>	<b>Increase</b> %
<b>Property Transactions – Legal Charges</b>				
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: 8  
Appendix 4

	<b>2021-22</b> from 1 April 2021 £	<b>2022-23</b> from 1 April 2021	<b>2023-24</b> <b>Proposed</b>	<b>Increase</b>  %
<b>To be approved by Council</b>				
<b>Temporary Accommodation Fees</b>				
<b>Daily Personal Charge Contributions</b>				
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 nett 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.

	2021-22 From 1 April 2021 £	2022-23 From 1 April 2022	2023-24 Proposed	Increase %
<b>To be approved by Council</b>				
<b>Local Taxation</b>				
Court Costs - Council Tax*	100.50	100.50	103.50	3.0%
Court Costs - Business Rates*	120.50	120.50	124.10	3.0%
Court Costs - BID Levy*	10.50	10.50	10.80	2.8%
*these amounts includes £20.00 payable for Liability Order				
<b>Letting of Council Accommodation for Meetings (Charges for other uses subject to negotiation)</b>				
<u>Council Chamber</u>				
Morning	252.00	260.00	267.80	3.0%
Afternoon	252.00	260.00	267.80	3.0%
Evening to 9.00 pm	325.00	335.00	345.00	3.0%
<u>Room 1 (Chantries )- previously Committee Room 1</u>				
Morning	175.00	180.00	185.40	3.0%
Afternoon	175.00	180.00	185.40	3.0%
Evening to 9.00 pm	252.00	260.00	267.80	3.0%
<u>Room 2 ( Newlands)- previously Committee Room 2</u>				
Morning	175.00	180.00	185.40	3.0%
Afternoon	175.00	180.00	185.40	3.0%
Evening to 9.00 pm	257.00	265.00	273.00	3.0%
<u>Room 3 ( Sheeppleas)</u>				
Morning	125.00	129.00	132.90	3.0%
Afternoon	125.00	129.00	132.90	3.0%
Evening to 9.00 pm	180.00	186.00	191.60	3.0%
<u>Room 4 ( Chinthurst)</u>				
Morning	87.50	90.00	92.70	3.0%
Afternoon	87.50	90.00	92.70	3.0%
Evening to 9.00 pm	128.00	132.00	136.00	3.0%
<u>Room 5 ( Whitmoor)</u>				
Morning	87.50	90.00	92.70	3.0%
Afternoon	87.50	90.00	92.70	3.0%
Evening to 9.00 pm	128.00	132.00	136.00	3.0%
<u>Room 6 ( Hurtmore)</u>				
Morning	175.00	180.00	185.40	3.0%
Afternoon	175.00	180.00	185.40	3.0%
Evening to 9.00 pm	257.00	265.00	273.00	3.0%

\* = includes VAT at 20%

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>
	From 1 April 2021	From 1 April 2022	<b>Proposed</b>	
<u>Room 7 ( Loseley)</u>				
Morning	54.50	56.00	57.70	3.1%
Afternoon	54.50	56.00	57.70	3.1%
Evening to 9.00 pm	76.50	79.00	81.40	3.1%
<u>Room 8 ( Hatchlands)</u>				
Morning	105.00	108.00	111.20	3.0%
Afternoon	105.00	108.00	111.20	3.0%
Evening to 9.00 pm	153.50	158.00	162.70	3.0%

**House Purchase Fees**

- Consent - Application in Advance
- Consent - Retrospective Application

\*= includes VAT at 20%

Guildford Borough Council

Appendix 5 – schedule of projected General Fund usable reserves 2023/24

	2021-22	2022-23	2023-24	2023-24	Reserves Analysis for budget report / accounts narrative statement	Purpose of the Reserve / Policy on use
	Closing balance, £000	Closing balance, £000	Movement £000	Closing balance, £000		
	44,651	45,016		45,382	Available to support capital / revenue budgets	
					Earmarked for specific purposes / management of risk	
					Developer contributions	
<b>General Fund</b>						
Election Costs	(218,208)	(280,708)	250,000	(30,708)		Contributions are made in non election years to offset the additional costs in the year that borough elections are held.
Interest Rate Movements	(1,050,969)	(1,050,969)	0	(1,050,969)		To allow for changes in predicted interest rates after the budget for the year has been set.
Concurrent Functions Grant Aid	(75,118)	(52,361)	0	(52,361)		Set up from Concurrent Function grant aid not required by Parish Councils, to allow urgent requests to be considered during the year.
HLS projects	(200,413)	(239,431)	0	(239,431)		To receive grants from Natural England prior to financing approved schemes in parks and countryside.
New Homes Bonus	(21,086)	(186)	0	(186)	(186)	To receive balance of new homes bonus grant received and not used in the year. Should be used in line with NHB Policy approved Council Feb 2016.
Capital Schemes	0	0	0	0	0	Financing of General Fund capital schemes within approved programmes.
Carried Forward Items	(551,728)	(447,042)	0	(447,042)	(447,042)	To finance expenditure in future years that was budgeted for but not able to be progressed in the year and which is still required.
Collection Fund Balance	(150,000)	(150,000)	0	(150,000)		Use as appropriate to smooth out the effects on the General Fund of a surplus or deficit on the Collection Fund.
Insurance	(993,003)	(993,003)	0	(993,003)		Maintain at level recommended by professional advisors. Receives or pays out the balance on the revenue account in the year and finances un-insured claims and excesses.
Invest to Save	(807,366)	(1,240,366)	0	(1,240,366)	(1,240,366)	To be used to fund investment opportunities in services that will allow ongoing savings to be achieved and accommodate short term increases in revenue costs during periods of transition.
Salix	(397,416)	(263,441)	0	(263,441)		Match funding for Salix (Carbon Trust) grant. Consists of two separate reserves in order to comply with the requirements of the Carbon Trust.
IT Renewals	(1,404,113)	(2,316,113)	568,760	(1,747,353)		Receives repayments from services to fund expenditure as set out in the ICT Strategy.
LABGI	(214,522)	(214,522)	0	(214,522)	(214,522)	Set up with income received from Local Authority Business Growth Incentive grant. This money will be used to support schemes that will also benefit the businesses in the Borough.
Spectrum	(1,933,370)	(391,448)	0	(391,448)		Maintained in order to provide funds for structural repairs and improvements. Under the Leisure Management contract responsibility for the fabric of the buildings remains with the Council.
Car Parks Maintenance	(2,981,275)	(2,291,275)	0	(2,291,275)	(2,291,275)	Financing of repairs, maintenance and improvements in off street car parks.
Land Charges	(105,011)	(105,011)	0	(105,011)		Balance on the land charges account for the year. Legislation requires that the Land Charges service breaks even over a three year period.
Park & Ride	(1,650,000)	(1,650,000)	0	(1,650,000)		Created in 2008/09 in lieu of a s106 contribution from the Queen Elizabeth Park development used to fund park and ride expenditure at Merrow and Artington.
Slyfield Area Regeneration Project (SARP)	0	0	0	0	0	Receives contributions from partners involved in the SARP and finances partnership expenditure.
Ash Manor AWP	0	0	0	0	0	To provide for replacement of Ash Manor All Weather Pitch, as required by agreement with the Football Foundation.
Ash Manor Renewals	(2,520)	(2,520)	0	(2,520)		To receive one third of any operational surplus on Ash Manor sports centre, as part of the tri-partite agreement in place.
Ash Manor Facilities Development	(2,520)	(2,520)	0	(2,520)		To receive one third of any operational surplus on Ash Manor sports centre, as part of the tri-partite agreement in place.
Pension Reserve (GBC)	(975,000)	(975,000)	0	(975,000)		Set up as part of closing the 2010-11 accounts in order to provide for a potential backfunding liability for staff transferred under TUPE to the Leisure Management
G Live sinking fund	(120,000)	(130,000)	(10,000)	(140,000)		Required by the G Live operator agreement.
Leisure Management Contract	(45,686)	(45,686)	0	(45,686)		Receives a minimum of 50 per cent of any surplus on the Leisure Management contract (excluding Ash manor) as required by the contract.
Legal actions	0	0	0	0	0	Available to finance legal costs and awards made because of actions taken against the Council, including judicial review.
Liongate rent top-up	0	0	0	0	0	To allow for the accounting treatment of an investment property where the purchase price was reduced by an amount for rental income compensation.
Family support programme	(418,652)	(553,185)	0	(553,185)		To hold the balance of funds supplied by Surrey County Council for the Family Support programme, prior to expenditure being incurred.
Local Plan	(234,083)	(234,083)	0	(234,083)		To fund communications support work on the Local Plan and a contribution to the University of Surrey for the International Music Festival. The transfer out in the year relates to the music festival so going forward this reserve will relate only to the Local Plan.
Salix admin	(33,796)	(33,796)	(68,700)	(102,496)		

Guildford Borough Council

Appendix 5 – schedule of projected General Fund usable reserves 2023/24

	2021-22	2022-23	2023-24	2023-24	Reserves Analysis for budget report / accounts narrative statement			Purpose of the Reserve / Policy on use
	Closing balance, £000	Closing balance, £000	Movement £000	Closing balance, £000	Available to support capital / revenue budgets	Earmarked for specific purposes / management of risk	Developer contributions	
	44,651	45,016		45,382				
Energy Management Schemes	(197,637)	(197,637)	0	(197,637)		(197,637)		Funding for energy management schemes similar to Salix schemes but for which match funding is not available.
Preventing Homelessness	(832,296)	(932,296)	0	(932,296)		(932,296)		Received grant from Department of Communities and Local Government (DCLG) for use in partnership work across Surrey to prevent homelessness in future years.
Preventing Repossession	(621,346)	(621,346)	0	(621,346)		(621,346)		Received grant from DCLG to fund preventing repossession work in future years.
Civil Parking Enforcement - GBC/GLC shared contr	1,874	0	0	0		0		To receive net funds due to Guildford and finance expenditure as allowed under the Civil Parking Enforcement agreement with Surrey County Council. Controlled jointly by the council and the Guildford Local Committee.
Business Rates equalisation	(22,765,076)	(13,517,858)	8,681,581	(4,836,277)	(10,017,858)	(3,500,000)		To be used as appropriate to smooth out the effects of the Business Rates Retention Scheme, including those related to regeneration projects.
Job Evaluation	0	0	0	0	0			To accommodate the medium term effects of salary changes should the Council choose to implement Job Evaluation following completion of the Pay and Grading exercise in 2014-15.
Masterplan	0	0	0	0	0			To finance the preparation of a Master plan for the borough.
SPA - Effingham	(2,895,247)	(2,895,247)	0	(2,895,247)		(2,895,247)		Receives s106 contributions for the Effingham SPA, prior financing expenditure on approved schemes.
SPA - Riverside	(966,681)	(966,681)	0	(966,681)		(966,681)		Receives s106 contributions for the Riverside Park SPA, prior financing expenditure on approved schemes.
SPA - Chantry Wood	(5,271,210)	(5,271,210)	0	(5,271,210)		(5,271,210)		Receives s106 contributions for the Chantry Wood SPA, prior financing expenditure on approved schemes.
SPA - Lakeside	(534,975)	(534,975)	0	(534,975)		(534,975)		Receives s106 contributions for the Lakeside SPA, prior financing expenditure on approved schemes.
SPA - Parsonage Water	(1,906,545)	(1,906,545)	0	(1,906,545)		(1,906,545)		Receives s106 contributions for the Parsonage Water SPA, prior financing expenditure on approved schemes.
Community Centres	(114,507)	(114,507)	0	(114,507)		(114,507)		To finance works on Community Centres
SCC Prevention partnership fund	0	0	0	0		0		To hold grants given by Surrey County Council prior to expenditure being incurred.
Capital movements reserve	(333,000)	(333,000)	0	(333,000)		(333,000)		To protect the revenue account against sale of investments at a capital loss.
Investment Property rent	(77,200)	(77,200)	0	(77,200)		(77,200)		To offset any shortfall in investment property rental income in the year.
Budget Pressures	(737,506)	(712,506)	0	(712,506)	(712,506)			To facilitate the management of pressure on the General Fund revenue budget.
Civil Parking - GBC control	(361,830)	(360,138)	0	(360,138)		(360,138)		To receive income from on-street parking, as agreed under the Civil Parking Enforcement agreement with Surrey County Council and finance any approved expenditure.
Taxi Licensing	181,618	166,013	0	166,013		166,013		Previously included with the carry forward reserve. To receive or fund any balance on the Taxi Licensing services (except irrecoverable costs). Legislation requires that the service is budgeted to break even over three years.
Project Aspire	(68,734)	(68,008)	0	(68,008)		(68,008)		To finance the costs of Project Aspire.
BR Covid discount	(1,303,852)	(1,303,852)	0	(1,303,852)		(1,303,852)		To cover ongoing and future expenditure related to the Covid-19 pandemic.
Refugee Support	(246,813)	(321,813)	0	(321,813)		(321,813)		Reserve holds unspent specific grant monies awarded by government to the Council to spend on supporting families that the Council has housed through the national refugee programme
Prevention Partnership Fund	0	0	0	0		0		Reserve holds unspent specific grant monies awarded by government to the Council to spend on preventing extremism
Community Housing Fund	(60,962)	(60,962)	0	(60,962)		(60,962)		Reserve holds unspent specific grant monies received by the Council from Government for expenditure on supporting community housing projects
Planning Policy	(49,735)	(49,735)	0	(49,735)		(49,735)		
Safer Guildford Partnership	(16,283)	(20,283)	0	(20,283)		(20,283)		
<b>TOTAL</b>	<b>(53,763,799)</b>	<b>(43,762,452)</b>	<b>9,421,641</b>	<b>(34,340,811)</b>	<b>(12,632,480)</b>	<b>(18,980,184)</b>	<b>(11,574,658)</b>	
Note: figures showing as a minus sign ( ) indicate a favourable change from previous years budget					<b>Total useable reserves:</b>	<b>(31,612,664)</b>		