

GUILDFORD BOROUGH COUNCIL



BOOTH MAYOR

Contact Officer:

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

28 November 2022

To the Councillors of Guildford Borough Council

You are hereby summoned to attend a meeting of the Council for the Borough of Guildford to be held in the **Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB** on **TUESDAY 6 DECEMBER 2022** commencing at 7.00 pm.

Tom Horwood
Joint Chief Executive of Guildford and Waverley Borough Councils

Millmead House
Millmead
Guildford
Surrey GU2 4BB

www.guildford.gov.uk

WEBCASTING NOTICE

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

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



THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

Our Vision:

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

Our Mission:

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

Our Values:

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

Our strategic priorities:

Homes and Jobs

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

Environment

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

Community

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

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

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DISCLOSURES OF INTEREST

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

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

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

3. MINUTES

To confirm the minutes of the special meeting of the Council held on 1 December 2022 (to follow).

4. MAYOR'S COMMUNICATIONS

To receive any communications or announcements from the Mayor.

5. LEADER'S COMMUNICATIONS

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

6. PUBLIC PARTICIPATION

To receive questions or statements from the public.

7. QUESTIONS FROM COUNCILLORS

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

8. **CAPITAL AND INVESTMENT OUTFURN REPORT 2021-22** (Pages 7 - 84)
9. **SUPPLEMENTARY ESTIMATE FOR FUNDS IN RESPECT OF PLANNING APPEALS RELATING TO MEMBER OVERTURN ITEMS** (Pages 85 - 90)
10. **REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2022**
(Pages 91 - 156)
11. **GUILDFORD JOINT COMMITTEE** (Pages 157 - 164)
12. **REVIEW OF NUMERICAL ALLOCATION OF SEATS ON COMMITTEES TO POLITICAL GROUPS: 2022-23** (Pages 165 - 182)
13. **COUNCILLOR DAVID GOODWIN** (Pages 183 - 186)
14. **SELECTION OF MAYOR AND DEPUTY MAYOR 2023-24** (Pages 187 - 190)
15. **APPOINTMENT OF COUNCIL REPRESENTATIVE TO THE SURREY POLICE AND CRIME PANEL: 2022-23** (Pages 191 - 196)
16. **APPOINTMENT OF DIRECTOR TO GUILDFORD SPORTSGROUND MANAGEMENT COMPANY LIMITED** (Pages 197 - 198)
17. **NOTICE OF MOTION DATED 24 NOVEMBER 2022: SURREY PENSION FUND'S INVESTMENTS IN FOSSIL FUELS**

In accordance with Council Procedure Rule 11, Councillor George Potter to propose, and Councillor Steven Lee to second the following motion:

'Council recognises that burning fossil fuels contributes significantly to global warming. Research demonstrates that 80% or more of the world's fossil fuel reserves will have to remain unburnt if we are to meet targets for climate change mitigation. As four-fifths of known fossil fuels must remain in the ground investing in them now presents a substantial financial and environmental risk. Council notes the International Energy Agency has released modelling in 2021 predicting that global oil demand could peak as early as 2025, and that its Executive Director has referred to putting money into oil and gas projects as being potential 'junk investments'.

Guildford Borough Council is a member of the Surrey Pension Fund, which currently has over £100 million invested in fossil fuel through its Local Government Pension Fund Scheme.

Council believes that this investment is both environmentally and financially irresponsible. Every indication points to renewable energies and green technologies being much safer investments for pension funds going forwards. With COP 26 having taken place in Glasgow the world's eyes are on the UK to show leadership on climate change. Divesting from

fossil fuels in our pension fund is a clear and meaningful action we can take here in Surrey.

Council recognises that fossil fuel investments should be considered part of the council's 'carbon footprint' and that divesting our pension fund is one of the most impactful steps we can take to reduce our impact on our community and the world.

Council therefore commits to calling on the Surrey Pension Fund to divest from fossil fuels by requesting the Pension Fund Committee to adopt and implement responsible investment policies which:

- (a) Immediately freeze any new investment in the top 200 publicly-traded fossil fuel companies.
- (b) Divest from direct ownership and any commingled funds that include fossil fuel public equities and corporate bonds by 2030.
- (c) Set out an approach to quantify and address climate change risks affecting all other investments.
- (d) Actively seek to invest in companies that will reduce greenhouse gas emissions and minimise climate risk.
- (e) Ensure that the overall investment portfolio is aligned with the Paris Agreement's goal of limiting global warming to 1.5°C.

Council further instructs the Joint Chief Executive to write to the Leaders and Chief Executives of all other councils which are members of the Surrey Pension Fund to outline this Council's position and ask for their support to adopt the same policies'.

18. MINUTES OF THE EXECUTIVE (Pages 199 - 216)

To receive and note the attached minutes of the meeting of the Executive held on 22 September and 27 October 2022.

19. APPOINTMENT OF JOINT MONITORING OFFICER (Pages 217 - 220)

20. COMMON SEAL

To order the Common Seal to be affixed to any document to give effect to any decision taken by the Council at this meeting.

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Council Report

Ward(s) affected: All

Report of Joint Section 151 Officer

Author: Vicky Worsfold, Lead Specialist Finance

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Lead Councillor responsible: Tim Anderson

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Date: 6 December 2022

Capital and Investment outturn report 2021-22

Executive Summary

This annual outturn report includes capital expenditure, non-treasury investments and treasury management performance for 2021-22.

Capital programme

In total, expenditure on the General Fund capital programme was £39.78 million against the original budget of £148.3 million, and revised budget of £141.9 million. Details of the revised estimate and actual expenditure in the year for each scheme are given in **Appendix 3**.

The budget for Minimum Revenue Provision (MRP) was £1.5 million and the outturn was £1.38 million. This was due to slippage in the capital programme in 2020-21.

Officers have reviewed the capital programme and have determined that the following schemes are no longer required:

- Albury closed burial grounds £57,000 in 2022/23
- Mill Lane Flood Protection works - £16,000 2022/23 and £200,000 2023/24
- Merrow & Burpham surface water study - £15,000 in 2022/23

This will reduce the Councils underlying need to borrow for capital purposes and will generate a saving to the revenue account in respect of MRP and Interest of approximately £10,000 over the life of the schemes.

Non-treasury investments

The Council's investment property portfolio stood at £174 million at the end of the year. Our rental income was £8.75 million, and our income return 5.3% against the benchmark of 4.7%.

Treasury management

The Council's cash balances have built up over several years, and reflect our strong balance sheet, with considerable revenue and capital reserves. Officers carry out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. At 31 March 2022, the Council held £152 million in investments, £303 million in borrowing of which £147 million is related to the HRA, and £134 million is short term borrowing so net debt of £157 million.

We borrowed short-term from other local authorities for cash flow purposes and aim to minimise any cost of carry on this. We took out 3 loans for Weyside Urban Village under the infrastructure rate. This interest is capitalised against the project and not charged to the GF as interest payable.

This report (section 8) confirms that the Council complied with its prudential indicators, treasury management policy statement and treasury management practices (TMPs) for 2021-22. The policy statement is included and approved annually as part of the Capital and Investment Strategy, and the TMPs are approved under delegated authority.

The treasury management performance over the last year, compared to estimate, is summarised in the table below. The report highlights the factors affecting this performance throughout the report, and in **Appendix 1**.

	Estimate %	Actual %	Estimate (£000)	Actual (£000)
General fund Capital Financing Requirement (CFR)			227,024	157,218
Housing Revenue Account CFR			205,108	199,204
Total CFR			432,132	356,422
Return on investments	1.57	0.65	1,278	1,878
Interest paid on external debt			5,992	5,127
Total net interest paid			4,714	3,249
Gain on sale of pooled fund				1,398

There was slippage in the capital programme which resulted in a lower CFR than estimated (more information in **Appendix 1**, section 3).

Interest paid on debt was lower than budget, due to less long-term borrowing taken out on the general fund because of slippage in the capital programme.

The yield returned on investments was lower than estimated, but the interest received was higher due to more cash being available to invest in the year – a direct result of the capital programme slippage. Officers have been reporting higher interest

receivable and payable and a lower charge for MRP during the year as part of the budget monitoring when reported to councillors during the year.

Due to the council projecting an over-spend earlier in the year, we took the decision to sell a pooled fund that had accumulated a capital gain. This was redeemed in December at a gain of £1.398 million – this is income to the General Fund.

Detailed information on the return on investments, and interest paid on external debt can be found in section 7 of this report.

This report was considered by the Corporate Governance and Standards Committee at its meeting on 29 September 2022. The Committee commended the report to the Executive, subject to a number of comments which are set out in section 15 below. At its meeting on 27 October 2022, the Executive agreed to the removal of the following schemes from the General Fund Capital Programme:

- Albury closed burial grounds £57,000 in 2022/23
- Mill Lane Flood Protection works - £16,000 2022/23 and £200,000 2023/24
- Merrow & Burpham surface water study - £15,000 in 2022/23

The Executive also commended the recommendation to the Council below for adoption.

Recommendation to Council:

- (1) That the capital and investment outturn report be noted
- (2) That the actual prudential indicators reported for 2021/22, as detailed in **Appendix 1** to this report, be approved

Reasons for Recommendation:

- To comply with the Council's treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- As per the treasury management code although the scrutiny of treasury management (and indeed all finance) has been delegated to CGSC ultimate responsibility remains with full Council this report therefore fulfils that need.

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

1. Purpose of Report

- 1.1 The Local Government Act 2003 states that the Council has a legal obligation to have regard to both the CIPFA code of practice on treasury management and the

- Ministry of Housing, Communities, and Local Government (MHCLG) investment guidance.
- 1.2 The CIPFA treasury management code of practice, and the MHCLG investment guidance requires public sector authorities to produce an annual capital strategy (incorporating capital expenditure, non-treasury investments and treasury management activity).
 - 1.3 This report covers the outturn of the elements of the strategy and the requirement to report on the prudential and treasury indicators for the year. The position of the Council's investment property portfolio is also presented along with progress on the capital programme.
 - 1.4 The Council borrows and invests substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risks. The Council holds a substantial amount of investment property and has a large capital programme, all of which have risk.
 - 1.5 Treasury management is a highly complex, technical, and regulated aspect of local government finance. We have included a glossary of technical terms (**Appendix 10**), to aid the reading of this report.
- 2. Strategic Priorities**
- 2.1 Treasury management and capital expenditure are key functions in enabling the Council to achieve financial excellence and value for money. It underpins the achievement of all the Corporate Plan 2018-2023 themes.
 - 2.2 This report details the activities of the treasury management function and the effects of the decisions taken in the year in relation to the best use of its resources. It also presents the outturn position for the year of the capital programme, and the performance on non-treasury investments.
- 3. Background**
- 3.1 Treasury management and the capital programme are intrinsically linked – the capital programme impacts whether the Council has investments or borrowing, which then informs the revenue budget. Providing the information to councillors in a joint report ensures the context of the two areas to be considered alongside each other.
 - 3.2 Treasury management is defined by CIPFA as

“the management of the organisations borrowing, investments and cash flows, including 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”

- 3.3 The Council has overall responsibility for treasury management. Treasury management contains a number of risks. The effective identification and management of those risks are integral to the council’s treasury management objectives, as is ensuring that borrowing activity is prudent, affordable and sustainable.
- 3.4 The Council has a statutory requirement, under the Local Government Act 2003, to adopt the CIPFA Prudential Code and produce prudential indicators.
- 3.5 The objectives of the prudential code are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable, and the treasury management decisions are taken in accordance with good professional practice.
- 3.6 The Council has a large capital programme and a large investment property portfolio on its balance sheet. These, together with treasury management, are the management of the Council’s cash and assets.
- 3.7 The Council operates its treasury management function in compliance with this Code and the statutory requirements.
- 3.8 This annual report, and the appendices attached to it, set out:
 - a summary of the economic factors affecting the approved strategy and counterparty updates (sections 4 and 5 with details in **Appendix 5**)
 - a summary of the approved strategy for 2021-22 (section 6)
 - a summary of the treasury management activity for 2021-22 (section 7 with detail in **Appendix 1**)
 - compliance with the treasury and prudential indicators (section 8 with detail in **Appendix 1**)
 - non-treasury investments (section 9)
 - capital programme (section 10)
 - risks and performance (section 11)
 - Minimum Revenue Provision (MRP) (section 12)
 - details of external service providers (section 13)
 - details of training (section 14)

4. Economic Environment

4.1 This section includes the key points of the economic environment for 2021-22, to show the treasury management activity in context. **Appendix 5** contains more detail

- The major issues for the economy in the year were recovery from Coronavirus pandemic, the war in Ukraine, higher inflation and higher interest rates.
- The Bank of England bank rate was 0.1% at the start of the year, rising persistent inflation caused the bank to increase rates earlier than the market had predicted, up to 0.75% in March.
- UK CPI was 0.7% in March 2021, rising steadily to 6.2% in February 2022.
- Tightening labour market as furlough unwound
- High energy and commodity prices not helped by the war in Ukraine.
- Fitch and Moody's credit rating agencies revised the outlook on a number of UK banks and building societies up to stable, recognising their improved capital positions compared to 2020 and better economic growth prospects in the UK.

4.2 The key points relevant to investment property are:

- Industrial sector remained resilient
- Office supply declining in Guildford, there has been a departure of key corporate occupiers, which has not helped the office market
- There has been a shift in the demand for High Street retail premises, leading to declining rents and increased vacancy levels.
- Retail was the weakest category going into lockdown and is anticipated to be the worst affected

5. Regulatory Changes

5.1 In August 2021, HM Treasury significantly revised guidance for the PWLB lending facility with more detail and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

5.2 CIPFA published its revised Prudential Code for Capital Finance and Treasury Management Code in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.

- 5.3 The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023-24 financial year if they wish. This was due to the late publication of the codes.
- 5.4 To comply with the Prudential Code, authorities must not borrow to invest primarily for financial return. The Code also states that it is not prudent for local authorities to make investment or spending decisions that will increase the CFR unless directly and primarily related to the functions of the authority. Existing commercial investments are not required to be sold; however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments.
- 5.5 Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.
- 5.6 The TM Code now includes extensive additional requirements for service and commercial investments.
- 5.7 The Council had removed the purchase of property primarily for yield some years ago, shifting the focus to strategic purchases and regeneration, and is, therefore, not affected by these changes in the Prudential Code.

6. Approved strategy and budgets for 2021-22 – a summary

- 6.1 Council approved the 2021-22 Capital and Investment strategy in February 2021.
- 6.2 The strategy showed an underlying need to borrow in 2021-22 for the General Fund (GF) capital programme of £143 million.
- 6.3 The strategy set out how we would manage our cash. It allowed for internally managed investments for managing cash flow and externally managed and longer-term investments for our core cash (cash not required in the short or medium term). See **Appendix 9** for background.
- 6.4 It highlighted the need to continue to diversify our investment portfolio to reduce credit risk. The approved strategy set the minimum long-term credit rating of A- (or equivalent) for investments in counterparties to be determined

as 'high credit' using the lowest denominator principal for the three main credit rating agencies.

6.5 Investment property risks were examined in the strategy.

7. Treasury management activity in 2021-22

7.1 The treasury position on 31 March 2022, compared to the previous year is

		31 March 2021 (£'000)	Average Rate	31 March 2022 (£'000)	Average Rate
Fixed Rate Debt	PWLB	147,435	3.22%	170,235	3.22%
Variable Rate Debt	PWLB	45,000	0.48%	0	0.00%
Long-term	LAs	0	0.00%	0	0.00%
Temporary borrowing	LAs	118,500	0.51%	133,500	0.17%
Total Debt		310,935	2.00%	303,735	1.73%
Fixed Investments		(94,100)	1.02%	(99,400)	0.41%
Variable Investments		(47,545)	0.23%	(42,150)	0.08%
Externally managed		(17,728)	3.94%	(15,079)	4.35%
Total Investments		(159,373)	1.05%	(156,629)	0.65%
Net Debt / (Investments)		151,562		147,106	

7.2 PWLB is the Public Works Loans Board and is a statutory body operating as an executive of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies.

7.3 The above table shows

- loans decreased by £7.2 million
- investments have decreased by £2.7 million
- net debt has decreased by £4.5 million

7.4 Short-term borrowing has increased due to uncertain cash flows during the year, and to fund the capital programme. We were able to take advantage of some very low borrowing rates from other authorities in the year before we need to take out longer term borrowing from PWLB. We have a range of maturities in 2022-23 to keep cash flows smooth.

7.5 We took out our first tranche of PWLB local infrastructure rate loan (LIR) for the WUV capital scheme of £22.8 million. The interest on these loans will be capitalised to the scheme so that the borrowing can be repaid from capital receipts generated on the sale of land as part of the scheme. The first tranche of HRA Reform loans became repayable and we decided to repay the £45 million loan based on the level of HRA reserves.

7.6 We budgeted an investment return of 1.57% for the year and achieved 0.65%.

- 7.7 The Council’s budgeted investment income was £1.278 million, and actual interest was £1.878 million (£600,000 higher). This is mostly due to having more cash due to the slippage in the capital programme.
- 7.8 Our budgeted debt interest payable was £5.992 million. £5.052 million relates to the HRA. The outturn was £5.127 million (£4.878 million for the HRA).
- 7.9 All our external funds are distributing funds, and they achieved an overall weighted average return of 4.27%, split as follows

Fund	Balance at 31 March £000	Average return	Type of fund
M&G	0	3.25%	Equity focussed
Schroders	773,399	7.31%	Equity focussed with at least 80% on FTSE all share companies
Royal London	2,247,293	4.79%	Investments in SMEs up to a max of £2,000
Funding Circle	212,205	10.90%	Multi asset
RLAM	2,067,200	1.00%	Global bond fund
Fundamentum	2,113,163	4.71%	Supported housing
CCLA	7,665,284	4.41%	Property

- 7.10 Councillors will recall we made the decision to sell the M&G investment as part of the measures we put in place at Period 6 financial monitoring to mitigate a projected year end overspend on the general fund. The capital gain which we were able to recognise as revenue income during the year was £1.398 million.
- 7.11 Our external fund portfolio is diverse, and we invest in a range of products and markets. The capital value of the funds can go up as well as down. Across all funds still held at the end of the year, there was a capital gain of £1.07 million, the biggest movement was on the CCLA fund with a gain of £1.17 million.
- 7.12 We are invested in bond, equity, multi-asset, and property funds. We invest what we call our “core cash” in these funds. Core cash is our cash backed reserves that we know we will not need for liquidity purposes, and we can therefore afford to keep the investment duration longer in a more volatile market to achieve good income returns
- 7.13 In the nine months to December improved market sentiment was reflected in equity, property and multi-asset fund valuations and, in turn, in the capital values of the Authority’s property, equity and multi-asset income funds in the Authority’s portfolio. The prospect of higher inflation and rising bond yields did however result in muted bond fund performance. In the January- March quarter the two dominant themes were tighter UK and US monetary policy and higher interest rates, and the military invasion of Ukraine by Russia in February, the latter triggering significant volatility and uncertainty in financial markets

- 7.14 In light of Russia's invasion, Arlingclose contacted the fund managers of our Money Market Funds (MMF), cash plus and strategic funds and confirmed no direct exposure to Russian or Belarusian assets had been identified. Indirect exposures were immaterial. It should be noted that any assets held by banks and financial institutions (e.g. from loans to companies with links to those countries) within MMFs and other pooled funds cannot be identified easily or with any certainty as that level of granular detail is unlikely to be available to the fund managers or Arlingclose in the short-term, if at all.
- 7.15 Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.
- 7.16 The Council also invested more in our subsidiaries and now holds £9.15 million of equity investment in Guildford Borough Council Holdings Ltd and £15.5 million of loans in North Downs Housing Ltd
- 7.17 The Council agreed an interest rate of base rate plus 5% (5.75% at 31 March 22) on the investment in North Downs Housing Ltd. This is higher than the treasury investments held as it reflects the risk associated with holding such investments. The interest is currently rolled up in the loan of the company.
- 7.18 The equity investment in Guildford Borough Council Holdings Ltd will be subject to a dividend if a profit is achieved.

Capital Programme

- 7.19 The actual underlying need to borrow for the year, and the amount of internal borrowing actually taken, for the GF capital programme was £140 million, which is lower than budgeted of £150 million because of slippage in the capital programme, and also unbudgeted for capital contributions received. We will continue to support service managers with the scheduling of schemes in the capital programme to ensure it is kept up to date when project timescales change.
- 7.20 The Council must charge a Minimum Revenue Provision (MRP) on its internal borrowing, which is setting aside cash from council tax to repay the internal borrowing. MRP charged to the revenue account for the year was £1.381 million, against an original budget of £1.535 million.
- 7.21 Our overall underlying need to borrow, as measured by the Capital Financing Requirement (CFR) was £327 million (£140 million relates to the GF).

- 7.22 MRP is charged the year after the internal borrowing occurred. During the budget process we adjust the MRP to allow for slippage so as not to over budget.

Benchmarking and performance indicators

- 7.23 Arlingclose provide benchmarking data across their clients (“client universe”). It highlights the effect of changes in our investment portfolio and compares the basis of size of investment, length of investment and the amount of credit risk taken.
- 7.24 The benchmarking shows a snapshot of our average running yield on all investments, also split between internally managed and externally managed. The latest benchmarking data (at 31 March 2022), shows our average rate of investments for our total portfolio as being 0.89% against the client universe of 0.97%. The table shows that we have outperformed our internally managed investments of the client universe by quite some margin, but overall lower which is due to the proportion of investments in external fund by the wider client base.

Benchmark	Guildford	Client Universe
Internally managed return	0.61%	0.46%
Externally managed (return only)	2.76%	3.41%
Total Portfolio	0.89%	0.97%
% of investments subject to bail in	34%	60%
No. of counterparties/funds	35	14

- 7.25 The difference in our return as part of the benchmarking (0.89%) and our own return (0.65%) is due to a different calculation in the way Arlingclose put the benchmarking return together.
- 7.26 The table above shows how far the Council has come to mitigate bail in risk – closing the year at 34% of investments subject to bail in. This percentage will change during the course of the year depending on the level of cash we have and what we are invested in.
- 7.27 One of our key areas in our treasury strategy is to maintain diversification in the portfolio. The number of counterparties and funds we are investing in are far higher than the client universe and shows that we have achieved our aim. This level of diversification will change at different points in the year, however.

8. Non-treasury investments

- 8.1 **Appendix 2** sets out the Council investment property fund portfolio report for 2021-22. The key points are summarised below:

Sector	No. of assets	Sub-category	No. of assets
Office	6		
Industrial	114		
Retail	9	Shops Shopping centres	7 2
Leisure	6	Restaurants Nightclubs	5 1
Other Commercial	9	Educational Theatre Barn Petrol station Sui Generis Car Park Water treatment works	2 1 2 1 1 1 1
TOTAL	144		

8.2 Fund statistics: the fund was valued at circa £174 million with a rent roll of £8.75 million from 145 properties across 4 main sectors, representing a total return of 5.3% gross yield and a reduction in voids to 5.53%.

8.3 The performance shows that our portfolio has performed better than our benchmark.

8.4 In response to the PWLB's new rules during 2020-21, which have been reaffirmed in the CIPFA codes of practice, we have amalgamated the asset investment fund into the strategic acquisition fund and will be assessing all potential acquisitions against the strategic property acquisition procedure approved by the Executive in January 2021. We are only looking to invest in the Borough as per our policy.

9. General Fund Capital programme

9.1 **Appendix 3** sets out the actual expenditure on capital schemes, compared to the updated estimates, together with reasons for variances. Overall, we spent £106,331 million (73%) less on capital schemes than we originally estimated and £108,521 million (72%) less than the revised estimate, the schemes with more than £1 million variance to budget relate to:

- Ash Road Bridge and Footbridge (delays in programme)
- WUV (reprofiling of spend)
- Investment in NDH and Guildford Holdings – (slightly less purchases in year),

- Middleton Industrial estate (delays due to Covid),
- Strategic property purchases (delayed due to Covid),
- Guildford West (decision pending on scope of works)
- GER/SGF (capitalisation of programme delayed)
- SMC Phase 3 (now cancelled, new mandate required if scope changes)

There are significant variations on other approved schemes under £1 million, as detailed in the appendix.

9.2 The table below summarises our capital expenditure and variances in the year

	Original estimate (£m)	Revised estimate (£m)	Actual (£m)	Variance to revised (£m)
GF approved programme	92.7	88.1	38	50.1
GF provisional programme	53.5	53.7	0	53.7
GF Schemes financed from reserves	1.9	4	1.7	2.3
Total	148.1	145.8	39.7	106.1

10. Compliance with treasury and prudential indicators

10.1 The CIPFA prudential code and treasury management code of practices require local authorities to set treasury and prudential indicators.

10.2 The objectives of the Prudential Code, and the indicators calculated in accordance with it, provide a framework for local authority capital finance that will ensure

- capital expenditure plans are affordable
- all external borrowing and other long-term liabilities are within prudent and sustainable limits
- treasury management decisions are taken in accordance with professional good practice and
- in taking the above decisions, the Council is accountable by providing a clear transparent framework

10.3 The Prudential Code requires the Council to set a number of prudential indicators for the following and two subsequent financial years, and to monitor against the approved indicators during the year. We can revise these indicators during the year but need full Council approval.

- 10.4 Officers can confirm that the Council has complied with its prudential indicators for 2021-22, (see **Appendix 1** for the outturn figures), its treasury management policy statement and its treasury management practices.
- 10.5 Section 6 outlines the approved treasury management strategy. We have adhered to the strategy by
- financing of capital expenditure from government grants, usable capital resources, revenue contributions and cash flow balances rather than from external borrowing
 - taking a prudent approach in relation to the investment activity in the year, with priority given to security and liquidity over yield
 - maintaining adequate diversification between counterparties
 - forecasting and managing cash flow to preserve the necessary degree of liquidity

11. Risks and performance

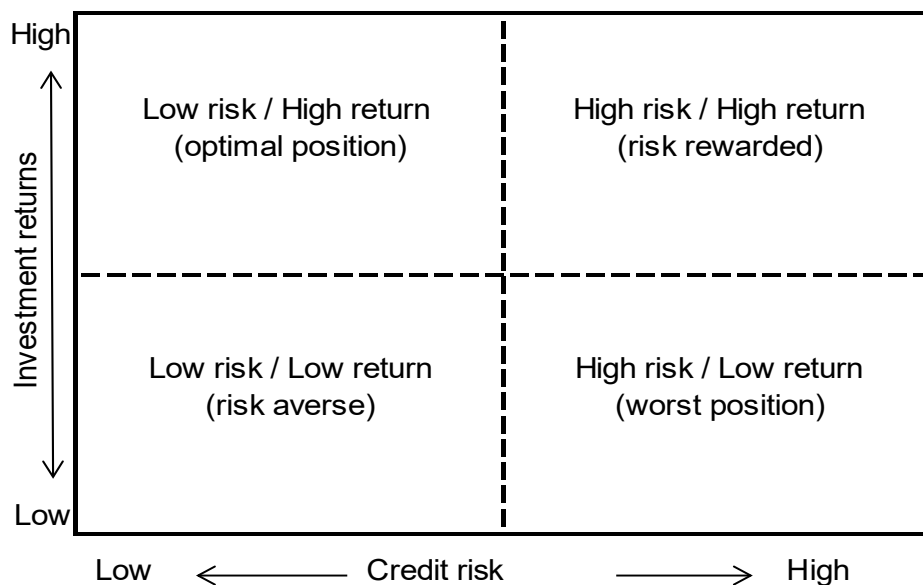
- 11.1 The Council considers security, liquidity, and yield, in that order, when making investment decisions.
- 11.2 The Council has complied with all the relevant statutory and regulatory requirements, which limit the level of risk associated with its treasury management activities. In particular, its adoption and implementation of both the prudential code and treasury management code of practice means our capital expenditure is prudent, affordable and sustainable, and our treasury practices demonstrate a low-risk approach.
- 11.3 Short-term interest rates and likely movements in these rates, along with our projected cash balances, determine our anticipated investment return. These returns can be volatile and whilst, loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.
- 11.4 If the Council were to lose any of its investments, the GF will carry the loss, even if the cash lost is HRA cash. Therefore, to compensate the GF for this, we apply a credit risk adjustment to the rate of interest we apply on the HRA balances and reserves and SPA reserves. Therefore, a lower interest rate is applied than the weighted average investment return for the year. For 2021-22 this is the DMO (Debt management office investment with the Government and is the base “risk-free” investment rate) which is 0.11%.
- 11.5 The Council invests in externally managed funds. These are more volatile than cash investments but can come with a higher return. Officers continually review our funds to ensure they still have a place in the portfolio. We view most of our funds over a three to five-year time horizon to take account of their

potential volatility – they are not designed to be short-term investments, despite being able to get the money from them quickly.

Credit developments and credit risk management during the year

11.6 Security of our investments is our key objective when making treasury decisions. We therefore manage credit risk through the limits and parameters we set in our annual treasury management strategy. One quantifiable measure of credit quality we use is to allocate a score to long-term credit ratings. **Appendix 8** explains the scoring in more detail

11.7 This is a graphical representation used in the Arlingclose benchmarking



11.8 Typically, we should aim to be in the top left corner of the chart where we get a higher return for lower risk. In the actual benchmarking, for average rate versus credit risk (value weighted) we were above the average of all clients and were in the top left box towards the middle vertical line. For time weighted we are well within the top left box (see **Appendix 6** for the two charts).

11.9 We set our definition of high credit quality as a minimum long-term credit rating of A-, which attracts a score of 7. The lower the score, the higher the credit quality of the investment portfolio.

11.10 The table below shows that at each quarter date, the weighted average score of our investment portfolio, on a value weighted and a time weighted basis is well within our definition of high credit quality, ending the year at 4.39 (AA-) and 4.36 (AA-).

Date	Value Weighted Avg Credit Risk Score	Value Weighted Avg Credit Rating	Time Weighted Avg Credit Risk Score	Time Weighted Avg Credit Rating	Average Life (days)
31-03-21	4.63	A+	4.06	AA-	199
30-06-21	4.69	A+	4.39	AA-	236
30-09-21	4.65	A+	3.92	AA-	201
31-12-21	4.66	A+	4.06	AA-	125
31-03-22	4.39	AA-	4.36	AA-	214

11.11 We have maintained security throughout the year within the portfolio on a value weighted basis. We also have a comparable risk score on the time weighted average than the Arlingclose client universe (4.39/AA- and 4.17/AA-). We do, however, have a much longer duration (ours is 214 days compared to the universe of 14 days) and this is due to us having a large portion of investments of covered bonds in the portfolio, which can be sold on the secondary market if required. The longer duration is with AAA rated covered bonds, so this has enhanced the security of the portfolio.

12. Minimum Revenue Provision (MRP)

12.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2003 (SI 2003 No 414) place a duty on local authorities to make a prudent provision for debt redemption. Making an MRP reduces the Capital Financing Requirement (CFR) and leaves cash available to replenish reserves used for internal borrowing or making external debt repayments. There are three options for applying MRP available to us:

- asset life method
- depreciation method
- any other prudent method

12.2 Any other prudent method means we can decide on the most appropriate method depending on the capital expenditure

12.3 The latest MRP policy was approved by Council in February 2021, and stated that

- the Council will use the asset life method as its main method, but will use annuity for investment property
- in relation to expenditure on development, we may use the annuity method starting in the year after the asset becomes operational
- 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, and will not charge MRP during construction, refurbishment or redevelopment

- We will apply a life of 50 years for the purchase of land and schemes which are on land (for example transport schemes)
- Where loans are made to other bodies for their capital expenditure, no MRP will be charged, where the other body is making principal repayments of that loan as well as interest. However, the capital receipts generated by the loan principal repayments on those loans will be put aside to reduce the CFR
- For investments in shares classed as capital expenditure, we will apply a life related to the underlying asset in which the share capital has been invested

12.4 The unfinanced capital expenditure in 2021-22 of £24.66 million related to Weyside Urban Village project, loan/equity to North Downs Housing Ltd, Middleton, Walnut Bridge, and transport schemes MRP will be chargeable to the revenue account the later of the next financial year or when the asset goes into use.

13. External Service Providers

13.1 The Council reappointed Arlingclose as our treasury management advisers in March 2015. The contract is for a period of 7 years, ending March 2022. This contract has been retendered and was awarded to Arlingclose on a 3+1+1 basis (ending on 31 March 2027). The Council is clear what services it expects and what services Arlingclose will provide under the contract.

13.2 The Council is clear that overall responsibility for treasury management remains with the Council.

14. Training

14.1 CIPFA's revised treasury management code of practice suggests that best practice is achieved by all councillors tasked with treasury management responsibilities, including scrutiny of the treasury management function, receiving appropriate training relevant to their needs and that they should fully understand their roles and responsibilities.

14.2 The MHCLG's revised investment guidance also recommends that a process is in place for reviewing and addressing the needs of the Council's treasury management staff for training in investment management.

14.3 Following the revised CIPFA code of practice and the stated requirement that a specified body be responsible for the implementation and regular monitoring of the treasury management policies, we use the Corporate Governance and Standards Committee to scrutinise the treasury management activity of the Council.

- 14.4 Training on treasury management will be given to new councillors and in particular the group leaders and members of the Corporate Governance and Standards Committee.
- 14.5 Officer training is undertaken on a regular basis, by attending workshops held by Arlingclose, and seminars or conferences held by other bodies, such as CIPFA. On the job training and knowledge sharing are undertaken when required. Those involved in treasury management are either a fully qualified accountant, or AAT qualified. The Lead Specialist for Finance, and Deputy s151 officer holds the 'Certificate in International Treasury Management for Public Finance' qualification, which is a joint qualification between the ACT (Association of Corporate Treasurers) and CIPFA.
- 14.6 Certain officers of the Council are deemed professional by the financial industry and therefore demonstrate the level of skill and expertise in the treasury function to ensure the Council retains professional status under the MiFID II regulations.

15. Consultations

- 15.1 Officers have consulted with the Lead Councillor for Resources about the contents of this report

Corporate Governance & Standards Committee – 29 September 2022

- 15.2 At its meeting on 29 September 2022, the Corporate Governance and Standards Committee considered this report and commended it to the Executive subject to the following comments made by the Committee during its debate:
- A need to ensure that we have up-to-date information on the schedule of investments and the need to review the overall situation in respect of the prudence of investments in other local authorities.
 - Clarification was sought as to the position in respect of reviewing existing investments.
 - In relation to the proposed schemes that had been recommended for removal from the capital programme, concern was expressed in respect of two of the schemes, which sought to address flooding issues, that insufficient information had been provided to justify their removal.

16. Key Risks

- 16.1 This is a backward-looking report, and the mitigation of risks has been highlighted throughout the report

17. Financial Implications

17.1 The detailed financial implications are summarised above and in **Appendix 1**

18. Legal Implications

18.1 A variety of professional codes, statutes and guidance regulate the Council's treasury management activities. These are:

- the Local Government Act 2003 ("the Act") provides the powers to borrow and invest. It also imposes controls and limits on these activities
- the 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. There are no current restrictions
- statutory instrument 3146 (2003 ("The SI"), as amended, develops the controls and powers within the Act
- the SI requires the council to undertake any borrowing with regard to the prudential code. The prudential code requires indicators to be set – some of which are limits – for a minimum of three forthcoming years
- the SI also requires the council to operate the treasury management function with regard to the CIPFA treasury management code of practice
- under the terms of the Act, the Government issued "investment guidance" to structure and regulate the council's investment activities. The emphasis of the guidance is on the security and liquidity of investments.

19. Human Resource Implications

19.1 There are no human resource implications arising from this report other than the training discussed in section 14, which is already in place

20. Equality and Diversity Implications

20.1 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.

21. Climate Change/Sustainability Implications

21.1 There are no direct implications.

22. Summary of Options

22.1 We could have invested in lower credit quality investments, but this would have increased our risk exposure.

- 22.2 We could have borrowed longer-term for our capital programme but would have suffered a cost of carry due to the slippage in the programme.

23. Conclusion

- 23.1 The Council has complied with the objectives of the CIPFA treasury management code of practice by maintaining the security and liquidity of its investment portfolio.
- 23.2 We maintained the security of our investment portfolio and did not borrow long-term in advance of need.
- 23.3 We have also complied with the requirements of the prudential code by setting, monitoring and staying within the prudential indicators set, except the variable limit on net investments due to higher investment balances than when the indicator was set.

24. Background Papers

- CIPFA Treasury Management in the Public Services – Code of Practice and Cross Sectoral Guidance Notes (2018 edition)
- CIPFA Treasury Management in the Public Services – Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (2018 edition)
- CIPFA the Prudential Code for Capital Finance in Local Authorities (2018 edition)
- CIPFA the Prudential Code for Capital Finance in Local Authorities – Guidance Notes for Practitioners (2018 edition)
- Treasury management annual strategy report 2021-22

25. Appendices

- Appendix 1: Treasury management activity, treasury and prudential indicators 2021-22
- Appendix 2: Investment property fund portfolio report 2021-22
- Appendix 3: capital programme
- Appendix 4: schedule of investments at 31 March 2022
- Appendix 5: economic background – a commentary from Arlingclose
- Appendix 6: benchmarking graphs
- Appendix 7: credit score analysis
- Appendix 8: credit rating equivalents and definitions
- Appendix 9: background to externally managed funds
- Appendix 10: glossary

Treasury Management activity and treasury and prudential indicators 2021-22

1. Introduction

- 1.1 The treasury management service is an important part of the overall financial management of the council. Whilst the prudential indicators consider the affordability and impact of capital expenditure decisions, the treasury service covers the effective funding of these decisions.
- 1.2 Strict regulations, such as statutory requirements and the CIPFA treasury management code of practice (the TM Code) govern the council's treasury activities, and the Prudential Code and MHCLG Investment Guidance non-treasury investments.
- 1.3 The Council holds a substantial amount of Investment property (non-treasury investment) and has a large capital programme which directly impacts on the treasury management decisions the Council may make.

2. Treasury management activity

- 2.1 The council has an integrated capital and investment strategy and manages its cash as a whole in accordance with its approved strategy. Therefore, overall borrowing may arise because of all the financial transactions of the council (for example, borrowing for cash flow purposes) and not just those arising from capital expenditure reflected in the Capital Financing Requirement (CFR).

Investments

- 2.2 The then Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance requires local authorities to focus on security and liquidity rather than yield.
- 2.3 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These define treasury management investments as

“investments that arise from the organisation’s cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business”.

- 2.4 Both the CIPFA Code and government guidance requires local authorities to invest funds prudently, and to have regard to the security and liquidity of investments before seeking the highest rate of return, or yield. The main objective, therefore, 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 unsuitable low investment income.

- 2.5 Ultra-low short-dated cash rates, which were a feature since March 2020 when Bank Rate was cut to 0.1%, prevailed for much of the 12-month reporting period which resulted in the return on sterling low volatility net asset value (LVNAV) Money Market Funds being close to zero even after some managers have temporarily waived or lowered their fees. However, higher returns on cash instruments followed the increases in Bank Rate in December, February and March.
- 2.6 Similarly, deposit rates with the Debt Management Account Deposit Facility (DMADF) initially remained very low with rates ranging from 0% to 0.1% but following the hikes to policy rates increased to between 0.55% and 0.85% depending on the deposit maturity.
- 2.7 Security of capital remains our main objective when placing investments. We maintained this during the year by following our investment policy, as approved in our treasury management strategy 2021-22, which defined “high credit quality” counterparties as those having a long-term credit rating of A- or higher.
- 2.8 Investments during the year included:
- investments in AAA rated constant net asset money market funds
 - call accounts and deposits with banks and building societies systemically important to each country’s banking system. We do have some investments with overseas banks, but in sterling
 - other local authorities
 - corporate bonds
 - non-rated building societies
 - covered bonds
 - pooled funds without a credit rating, but only those subject to an external assessment
- 2.9 We divided our investments into three types
- short-term (less than one-year) internally managed cash investments
 - long-term internally managed investments
 - externally managed funds
- 2.10 Cash balances consisted of working cash balances, capital receipts, and council reserves.
- 2.11 The table below shows our investment portfolio, at 31 March 2022, compared to 31 March 2021. **Appendix 4** contains a detail schedule of investments outstanding at the end of the year.

Investment details	Balance at 31-03-21 £m	Weighted Avg Return for Year	Balance at 31-03-22 £m	Weighted Avg Return for Year
Internally Managed Investments				
Fixed Investments < 1 year to cover cash flow	57.50	0.89%	41.00	0.46%
Corporate bonds	2.00	0.17%	4.00	0.13%
Long term bonds	16.10	0.00%	15.00	0.29%
Notice Accounts	3.00	0.39%	3.00	0.40%
Call Accounts	0.33	0.07%	0.00	0.01%
Money Market Funds	39.22	0.13%	31.90	0.07%
Revolving credit facility	0.00	1.47%		
Long term investments > 1 year	18.50	1.21%	37.40	0.40%
Externally Managed Funds				
Funding circle	0.50	6.51%	0.21	10.90%
Cash plus	0.00	0.00%	5.00	0.00%
CCLA	6.49	4.81%	7.67	4.41%
Fundamentum	5.00	0.00%	2.07	1.65%
RLAM	2.33	2.19%	2.25	4.79%
M&G	3.53	4.45%	0.00	3.25%
Schroders	0.70	7.04%	0.77	7.31%
UBS	2.20	3.95%	2.11	4.71%
City Financial	1.97	0.85%	0.00	0.00%
Total Investments	159.37	1.05%	152.38	0.65%

- 2.12 Our level of investments decreased during 2021-22, and we achieved a lower return than last year. Interest rates have started to increase to try and alleviate the impact of Inflation in the Economy. The portfolio will have lower rates until investments mature and can be reinvested at the higher rates. FRN Bonds in the main have a quarterly reset date and will increase sooner than maturity date.
- 2.13 The Councils also holds £9.15 million equity investments in Guildford Holdings Ltd and £15.5 million in North Downs Housing Ltd.
- 2.14 We are earning an interest return of base rate plus 5% (5.75% at 31 March 2022) on the investment in North Downs Housing. This is higher than the return earned on treasury investments but reflects the additional risks to the Council of holding the investment.

Security of investments

- 2.15 Counterparty credit quality was assessed and monitored with reference to credit ratings; financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices; financial statements; information on potential government support and reports in the quality financial press.
- 2.16 We also considered the use of secured investment products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.
- 2.17 The minimum long-term counterparty credit rating for 'high quality counterparties' approved for 2021-22 was A-/A3 across all three main credit rating agencies (Fitch, S&P, and Moody's).
- 2.18 The strategy set different limits for different counterparty credit ratings both in maximum duration and exposure in monetary terms.

- 2.19 We also can invest in non-rated institutions subject to due diligence.

Liquidity of investments

- 2.20 In keeping with the MHCLG's Guidance on Investments, the council maintained a sufficient level of liquidity using money market funds, call accounts, the maturity profile of fixed investments and short-term borrowing from other local authorities.
- 2.21 We use PSlive as our daily cash flow forecasting software to determine the maximum period for which funds may prudently be committed.

Yield of investments

- 2.22 The council sought to optimise returns commensurate with its objective of security and liquidity. The Bank of England base rate has increased during the year:
- 16 Dec 2021 0.25%
 - 3 Feb 2022 0.75%
- 2.23 We invested in longer-term covered bonds, which increased the return of the portfolio and the duration. Bonds can be sold in the secondary market should we need the liquidity.
- 2.24 The council's budgeted investment income for the year was £1.278 million and actual interest was £1.878 million, at a weighted average yield of 0.65%.

Externally managed funds

- 2.25 We estimate to have cash balances over the medium-term (our "core" cash as identified in the Councils liability benchmark), and as such we have continued investing in pooled (cash-plus, bond, equity, multi-asset and property) funds. These funds have allowed us to diversify into asset classes other than cash without the need to own and manage the underlying investments. These funds operate on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short term. All of our pooled funds are in the respective funds distributing share class, which pay out the income generated. They have no defined maturity date, but are available for withdrawal, some with a notice period.
- 2.26 In the nine months to December improved market sentiment was reflected in equity, property and multi-asset fund valuations and, in turn, in the capital values of the Authority's property, equity and multi-asset income funds in the Authority's portfolio. The prospect of higher inflation and rising bond yields did however result in muted bond fund performance. In the January- March quarter the two dominant themes were tighter UK and US monetary policy and higher interest rates, and the military invasion of Ukraine by Russia in February, the latter triggering significant volatility and uncertainty in financial markets.
- 2.27 In light of Russia's invasion, Arlingclose contacted the fund managers of our MMF, cash plus and strategic funds and confirmed no direct exposure to Russian or Belarusian assets had been identified. Indirect exposures were immaterial. It should be noted that that any assets held by banks and financial institutions (e.g. from loans to companies with links to those countries) within MMFs and other pooled funds

cannot be identified easily or with any certainty as that level of granular detail is unlikely to be available to the fund managers or Arlingclose in the short-term, if at all.

- 2.28 Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.
- 2.29 Due to the predicted over spend in year on the revenue account, the Executive agreed to sell the M&G Fund which was holding a capital gain. The net gain was £1.398 million.

Borrowing and debt management

- 2.30 The council's debt portfolio is detailed in the table below. Our loan portfolio decreased by £2.2 million due to the repayment of the £45 million variable HRA loan, offset by an increase in temporary borrowing and £22 million of PWLB GF borrowing for the WUV project.
- 2.31 The schedule of borrowing is shown in the table below

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Appendix 1

Interest calc	Lender	Loan type	Principal £'000	Initial loan period (yrs)	Period remaining years	Maturity date	Rate
Long-term							
Fixed	PWLB	Maturity	10,000	12	2.0	28/03/2024	2.70%
Fixed	PWLB	Maturity	10,000	13	3.0	28/03/2025	2.82%
Fixed	PWLB	Maturity	10,000	14	4.0	28/03/2026	2.92%
Fixed	PWLB	Maturity	10,000	15	5.0	28/03/2027	3.01%
Fixed	PWLB	Maturity	25,000	17	7.0	28/03/2029	3.15%
Fixed	PWLB	Maturity	25,000	20	10.0	28/03/2032	3.30%
Fixed	PWLB	Maturity	25,000	25	15.0	28/03/2037	3.44%
Fixed	PWLB	Maturity	15,000	29	19.0	28/03/2041	3.49%
Fixed	PWLB	Maturity	17,435	30	20.0	28/03/2042	3.50%
Fixed	PWLB	Maturity	10,800	50	50.0	09/03/2072	1.82%
Fixed	PWLB	Maturity	5,000	10	10.0	29/03/2032	2.26%
Fixed	PWLB	Maturity	7,000	11	11.0	31/03/2033	2.06%
Short-term							
Fixed	Wokingham BC	Maturity	10,000	0.75	0.1	19/04/2022	0.08%
Fixed	Hampshire CC	Maturity	5,000	1.00	0.1	03/05/2022	0.09%
Fixed	Oxfordshire CC	Maturity	10,000	0.87	0.1	13/05/2022	0.10%
Fixed	Durham CC	Maturity	10,000	1.00	0.1	20/05/2022	0.12%
Fixed	Cheshire West & Chester Council	Maturity	10,000	0.22	0.2	30/05/2022	0.55%
Fixed	West of England Combined Authority	Maturity	1,500	1.00	0.2	07/06/2022	0.15%
Fixed	Local Government Association	Maturity	10,000	1.00	0.2	07/06/2022	0.10%
Fixed	North of Tyne Authority	Maturity	8,000	1.00	0.3	01/07/2022	0.17%
Fixed	Nottingham office of PCC	Maturity	10,000	1.00	0.3	04/07/2022	0.15%
Fixed	NORTH NORTHAMPTONSHIRE COUN	Maturity	5,000	0.50	0.4	25/08/2022	0.70%
Fixed	Brighton & Hove CC	Maturity	10,000	1.00	0.4	26/08/2022	0.12%
Fixed	West Mids CA	Maturity	4,000	0.50	0.5	28/09/2022	0.85%
Fixed	Crawley BC	Maturity	5,000	1.00	0.6	01/11/2022	0.10%
Fixed	Oxfordshire CC	Maturity	5,000	0.76	0.7	05/12/2022	0.80%
Fixed	Portsmouth CC	Maturity	10,000	1.00	0.7	19/12/2022	0.20%
Fixed	NOTTINGHAM CITY COUNCIL	Maturity	10,000	1.00	0.9	27/02/2023	0.20%
Fixed	TAMESIDE MET BC	Maturity	5,000	1.00	1.0	13/03/2023	0.80%
Fixed	SHEFFIELD CITY COUNCIL	Maturity	10,000	1.00	1.0	14/03/2023	0.80%
Total			308,735				

- 2.32 Our primary objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should our long-term plans change being a secondary objective.
- 2.33 We also have short-term loans outstanding at the end of the year which we took out for cash flow purposes, from other local authorities. Temporary and short-dated loans borrowed during the year from other local authorities remained affordable and attractive.
- 2.34 Affordability and the “cost of carry” remained important influences on our long-term borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would be invested at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained low, lower than long-term rates, the council determined it was more cost effective in the short-term to use internal resources and borrow short-term to medium-term instead.
- 2.35 The Councils borrowing position is monitored regularly as to whether it is more beneficial to externalise borrowing now or whether to continue internal borrowing

based on predicted future borrowing costs (which are likely to be higher). Arlingclose assist us with this 'cost of carry' and break-even analysis.

- 2.36 Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Council unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.
- 2.37 Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders

3. Treasury and prudential indicators

- 3.1 The Local Government Act 2003 requires local authorities to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury decisions are taken in accordance with good professional practice. To demonstrate the Council has fulfilled these objectives, the Prudential Code sets various indicators that must be set and monitored each year.
- 3.2 The CFO confirms that we have complied with our prudential indicators for 2021-22, which were approved in February 2021 as part of the treasury management strategy statement. The CFO also confirms that we have complied with our treasury management policy statement and treasury management practices during 2021-22.

Balance sheet and treasury position prudential indicator

- 3.3 The capital financing requirement (CFR) measures the council's underlying need to borrow for a capital purpose. Over the medium-term, borrowing must be only for a capital purpose, although in the short-term, we can borrow for cash flow purposes, which does not affect the CFR.
- 3.4 The council's CFR for 2021-22 is shown in the following table

Capital Financing Requirement	2021-22 Approved Estimate £000	2021-22 Revised Estimate £000	2021-22 Actual £000
HRA			
Opening balance (01 Apr 21)	217,024	199,204	199,204
Movement in year: Unfinanced cap exp	10,000	7,820	0
Closing balance (31 Mar 22)	227,024	207,024	199,204
General Fund			
Opening balance (01 Apr 21)	122,374	128,643	133,942
Movement in year: Unfinanced cap exp	84,269	29,667	24,656
Movement in year: MRP	(1,535)	(1,419)	(1,380)
Closing balance (31 Mar 22)	205,108	156,891	157,218
Total			
Opening balance (01 Apr 21)	339,398	327,847	333,146
Movement in year: Unfinanced cap exp	94,269	37,487	24,656
Movement in year: MRP	(1,535)	(1,419)	(1,380)
Closing balance (31 Mar 22)	432,132	363,915	356,422
Balances and Reserves	(176,489)	(155,204)	(185,016)
Cumulative net borrowing requirement / (investments)	255,643	208,711	171,406

- 3.5 The GF unfinanced capital expenditure mainly relates to WUV, transport schemes and loan / equity to North Downs housing. This is lower than budgeted because of the slippage in the capital programme – we projected some slippage during the year, which is shown by the revised estimate (as in the strategy report presented to Council in February 2021), and is reflected in the 2022/23 MRP budget.
- 3.6 We budgeted an underlying need to borrow of £83.5 million for 2021-22, and our actual underlying need to borrow was £24.6 million because of slippage in the capital programme and also a higher amount of capital receipts/grants than anticipated.

Gross debt and the CFR

- 3.7 We monitor the CFR to gross debt continuously to ensure that, over the medium term, borrowing is only for a capital purpose and does not exceed the CFR. This is a key indicator of prudence. We will report any deviations to the CFO for investigation and appropriate action. The following table shows the council is in a net internal borrowing position and gross debt does not exceed the CFR over the period.

Gross Debt and the CFR	2021-22 Actual £000
General Fund CFR	157,218
HRA CFR	199,204
Total CFR (at 31 March)	356,422
Gross External Borrowing	(308,735)
Net (external) / internal borrowing position	47,687

- 3.8 Actual debt levels are monitored against the operational boundary and authorised limit for external debt, detailed in paragraph 3.20 to 3.25.
- 3.9 We are showing as being internally borrowed up to £16 million in at the end of March 2021.

Capital expenditure prudential indicator

- 3.10 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on council tax or housing rent levels for the HRA.
- 3.11 The following table shows capital expenditure in the year, compared to the original estimate approved by the Executive in January 2021.

Projects	Original Estimate (£'000)	Actual (£'000)	Variance (£'000)
<u>Housing Revenue Account</u>			
HRA Capital Programme	52,105	15,739	(36,366)
Total Housing	52,105	15,739	(36,366)
<u>General Fund</u>			
Vehicles purchase	566	1,152	586
Weir	0	418	418
Infrastructure	3,336	4,080	744
Strategic Property	25,000	458	(24,542)
Ash road bridge & Footbridge	19,976	3,598	(16,378)
NDH/GHL	2,799	4,296	1,497
Midleton redevelopment	3,700	3,991	291
WUV	28,347	18,035	(10,312)
Other General Fund Projects	9,066	3,749	(5,317)
Provisional schemes	55,508	0	(55,508)
Total General Fund	148,298	39,777	(108,521)
Total Capital Programme	200,403	55,516	(144,887)

- 3.12 The table shows that there was a lot of slippage in the capital programme. This was mainly over a few larger schemes including:
- provisional schemes were re-profiled during the year, and include:
 - various transport and infrastructure schemes
 - ash road bridge
 - WUV
 - Strategic Property
- 3.13 The following table shows the financing of capital expenditure in the year, compared with the original approved estimate.

CAPITAL EXPENDITURE - SUMMARY	Original Estimate (£'000)	Actual (£'000)
General Fund Capital Expenditure		
- Main programme	146,323	38,096
- Reserve & s106 Capital Schemes	1,975	1,681
HRA Capital expenditure		
- Main programme	52,105	15,739
Total Capital Expenditure	200,403	55,516
CAPITAL EXPENDITURE - SUMMARY	Original Estimate (£'000)	Actual (£'000)
General Fund Capital Expenditure Financed by:		
- Borrowing/Use of Balances	(94,593)	(23,512)
- Capital Receipts	(95)	(969)
- Capital Grants/Contributions	(51,415)	(12,936)
- Capital Reserves/Revenue	(2,195)	(2,360)
HRA Capital Expenditure Financed by:		
- Capital Receipts	(18,419)	(3,731)
- Capital Reserves/Revenue	(33,686)	(11,978)
Financing - Totals	(200,403)	(55,516)

- 3.14 GF borrowing was less than budgeted because of slippage in the capital programme, and an increase in the opening of available capital resources which reduced the need for internal borrowing in the year.

Ratio of financing costs to the net revenue stream prudential indicator

- 3.15 This is an indicator of affordability and highlights the revenue impact of capital expenditure by identifying the proportion of the revenue budget required to meet the financing costs associated with capital spending. Financing costs include interest on borrowing, MRP, premium or discount on loans repaid early, investment income and depreciation where it is a real charge.
- 3.16 Depreciation is not a real charge to the GF but has been to the HRA since April 2012.
- 3.17 The ratio is based on costs net of investment income.
- 3.18 The net revenue stream for the GF is the total budget requirement and for the HRA is total income. Where the figure is negative, it is because there is a net investment position (more investments than debt). The total budget requirement for the GF used is the 2021-22 budget.

	2021-22 Original Estimate	2021-22 Actual
General Fund	8.07%	0.13%
HRA	31.03%	33.01%

- 3.19 The GF is lower than originally estimated because the long-term borrowing figure was lower than estimated as the budget assumed a large amount of external borrowing for the capital programme which was not required and was reported throughout the year as part of budget monitoring.

The authorised limit prudential indicator

- 3.20 The Local Government Act 2003 requires the council to set an affordable borrowing limit, irrespective of the indebted status. This is a statutory limit, which we cannot breach.
- 3.21 The limit is the maximum amount of external debt we can legally owe at any one time. It is expressed gross of investments and includes capital expenditure plans, the CFR and cash flow expenditure. It also provides headroom over and above for unexpected cash movements.
- 3.22 The limit was set at £531 million for the year and the highest level of debt was £331 million.
- 3.23 We measure the levels of debt on an ongoing basis during the year for compliance. The CFO confirms there were no breaches to the authorised limit in 2020-21.

The operational boundary prudential indicator

- 3.24 The operational boundary, based on the same estimates as the authorised limit, reflects the most likely, prudent but not worst-case scenario. It does not allow for additional headroom included in the authorised limit.
- 3.25 The limit was set at £477 million for the year and the highest level of debt was £331 million.

Maturity structure of borrowing treasury indicator

- 3.26 The aim of this indicator is to control our exposure to refinancing risk (large concentrations of debt needing refinancing at once).

Loans Maturity (Liquidity Risk)		
31 March 2021		31 March 2022
£'000		£'000
	Short Term Borrowing	
163,500	Less than one year	134,136
	Long Term Borrowing	
45,000	Over 1 but not over 2 years	10,318
30,000	Over 2 but not over 5 years	32,227
35,000	Over 5 but not over 10 years	58,182
25,000	Over 10 but not over 15 years	25,636
40,000	Over 15 but not over 20 years	32,435
17,435	Over 45 years	10,800
355,935	Total Borrowings	303,735

- 3.27 The above table shows the amount of debt maturing in each period and its percentage of total fixed rate loans. That less than 12 months is mainly made up of short-term borrowing.

Actual external debt treasury indicator

- 3.28 This indicator comes directly from our balance sheet. It is the closing balance for actual gross borrowing (short and long term) plus other deferred liabilities. It is measured in a manner consistent for comparison with the authorised limit and operational boundary.
- 3.29 Actual external debt (as per 3.7) stood at £308 million.

Upper limit for total principal sums invested over 1 year

- 3.30 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the council having to seek early repayment of the sums invested.
- 3.31 Our limit was set at £50 million we ended the year with exposure of £39 million.
- 3.32 As mentioned earlier in the report, many of our long-term investments are covered bonds, which can be sold on the secondary market. There could be a price differential if they were sold, but it is unlikely to be material.

GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

Current Fund Summary – 2021/22

OBJECTIVE OF FUND

The Investment Property Fund aims to provide a high and secure level of income with the prospect of income growth and to maintain the capital value of the properties held in the Fund. This is achieved by keeping vacancy and associated costs to a minimum and by generating income growth through rental increases, refurbishments, active asset management and new lettings, as well as investing in a diversified commercial property portfolio.

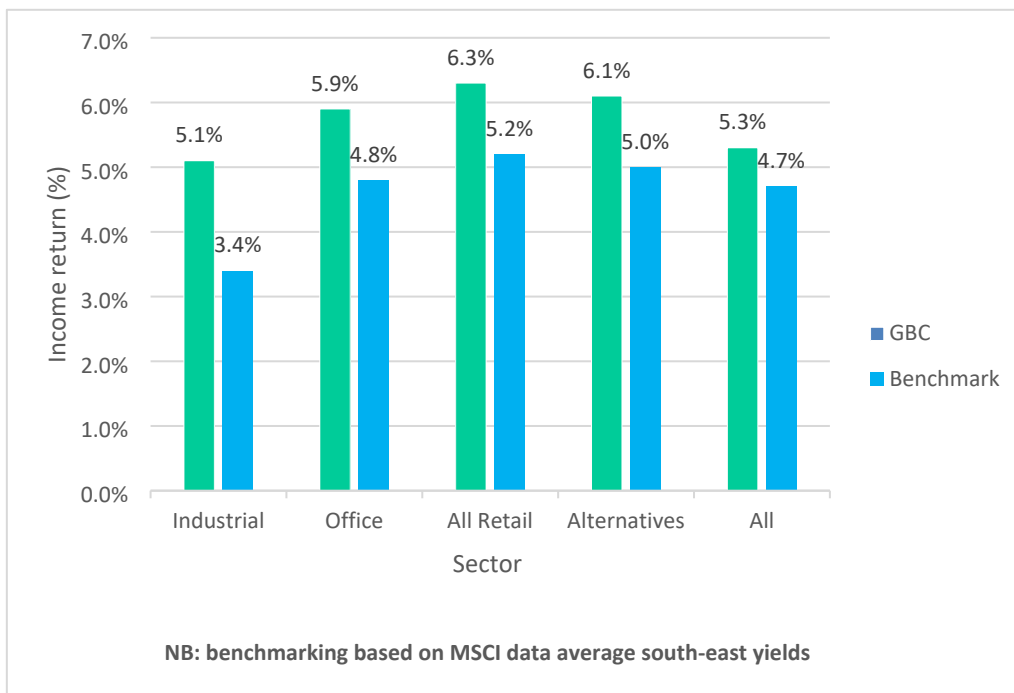
KEY POINTS – 31 MARCH 2022

- Fund size c.£174 million
- Rental income of £8.75 million p.a.
- 145 properties over 4 main sectors
- High yielding (5.3% gross yield)
- Low vacancy rate (5.53%)
- Long average unexpired lease terms

TOP FIVE SINGLE INVESTMENTS

1. Wey House, Farnham Rd 
2. Midleton Enterprise Park 
3. Moorfield Point, Slyfield 
4. The Billings, Walnut Close 
5. Friary Street, West Side 

FUND PERFORMANCE AGAINST UK BENCHMARK 2020/21



KEY ACQUISITIONS/DISPOSALS 2021/22

The Council’s ability to source the right investment stock at the right price continues to be the biggest driver of performance. However, the outbreak of COVID-19 led to national and international lockdowns and impacted global financial markets. Commercial property market activity was impacted across various sectors resulting in a lack of suitable stock in the market. With the relaxation of the COVID-19 restrictions, it was hoped that market activity would increase in 2021/22 and generate opportunities to acquire. However, it has continued to prove challenging for officers to source the appropriate quality of investment stock at the right price within the Borough. It should therefore be noted that the Council did not acquire or dispose of any investment assets in 2021/22.

Property Investment Fund – 2020/21

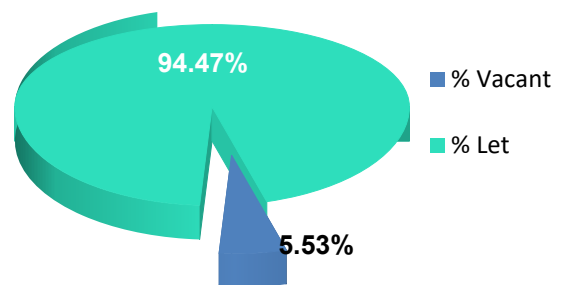
FUND STRATEGY

The Fund comprises the principal commercial property sectors: industrial, office, retail and alternatives (petrol stations, leisure, food & beverage, educational centres etc). Officers aim to achieve an above average income return by keeping vacancy and associated costs (such as empty rates, service charges, repairs, and insurance) to a minimum and by generating income growth through rental increases, refurbishments, active asset management and new lettings. The average vacancy rate over 21/22 was 5.53%¹.

VACANCY RATE

Based on days per property

Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
5.34%	6.18%	5.93%	4.70%	5.53%



PERFORMANCE

In January 2022 the investment fund was valued at £174 million, increasing by £18.8 million from the previous financial year mainly due to a significant shift in industrial yields. In addition, rental income increased by £600,000 to £8.75 million per annum, representing a total return of 5.3%. The significant rental growth was predominantly a direct consequence of three key lettings at the newly redeveloped Midleton Industrial Estate as well as the completion of two key rent reviews that were put on hold from the previous financial year.

Factors that affected the portfolio in 2021/22 include:

- **Yield suppression** – the positive market indicators, particularly for industrial property with increased investor demand, have resulted in a shift in yields and this has significantly contributed to the increase in value from the previous year.
- **Midleton Redevelopment** – Five units on the Midleton Industrial Estate were demolished in 20/21 to make way for the redevelopment of the formerly obsolete assets, the income of which was therefore lost during the construction phase in the previous financial year. Practical Completion in March 2021 and January 2022 of Phases 1, 2 and 3 respectively, resulted in the successful lettings of three brand new units and the additional rent of £253,000 p.a. to the income received. This years' valuation includes all three phases. Phase 4 is in very early stages of construction and so this will be fully reflected in next years' valuation.

¹ Excluding intentional voids and Finance leases.

**GBC INVESTMENT PROPERTY
FUND PORTFOLIO ANNUAL REPORT**

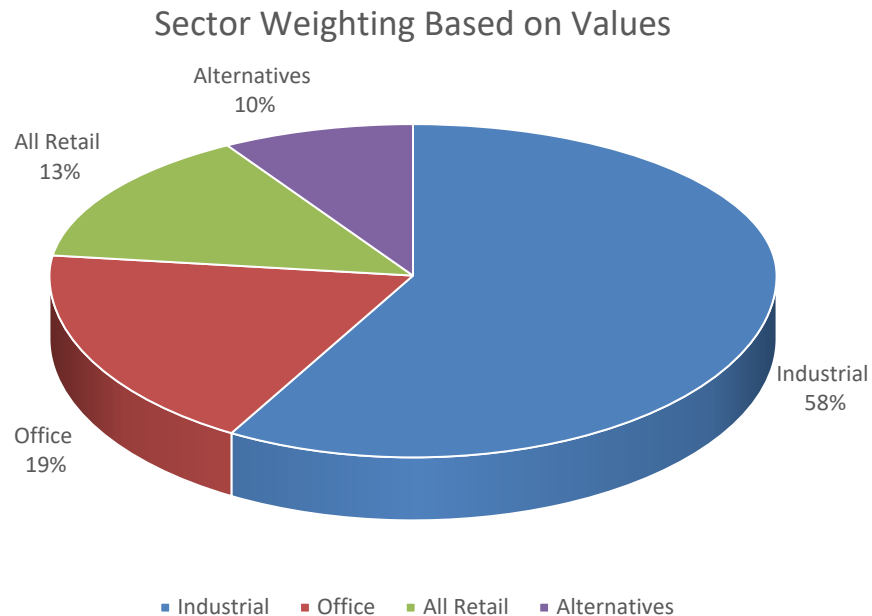
2021/22

Fund Performance (total return) *					
Rental income					
	Industrial	Office	All Retail	Alternatives	All
2016/17	3,057,302	1,858,638	1,447,672	1,062,137	7,425,749
2017/18	3,493,405	3,186,048	1,426,317	1,080,786	9,186,556
2018/19	3,619,808	3,038,548	1,459,048	1,129,361	9,246,765
2019/20	3,369,452	2,135,460	1,459,548	1,139,397	8,103,857
2020/21	3,565,449	2,112,620	1,284,638	1,139,397	8,102,104
2021/22	4,224,693	2,135,460	1,293,038	1,100,322	8,753,513
Capital value**					
	Industrial	Office	All Retail	Alternatives	All
2016/17	42,922,450	25,915,000	25,908,500	15,963,500	110,709,450
2017/18	51,509,000	49,574,000	26,065,000	17,471,500	144,619,500
2018/19	66,970,000	49,159,000	26,097,000	18,843,000	161,069,000
2019/20	72,295,790	35,609,000	26,097,000	18,143,000	152,144,790
2020/21	77,670,905	34,165,000	24,527,000	18,540,500	154,903,405
2021/22	101,459,000	32,095,000	23,252,000	17,150,500	173,956,500
Income return					
	Industrial	Office	All Retail	Alternatives	All
2016/17	7.1%	7.2%	5.6%	6.7%	6.7%
2017/18	8.0%	7.4%	5.2%	5.8%	6.6%
2018/19	6.8%	6.6%	5.9%	5.8%	6.3%
2019/20	6.9%	5.3%	5.9%	5.9%	6.0%
2020/21	6.5%	5.4%	5.6%	5.8%	5.8%
2021/22	5.1%	5.9%	6.3%	6.1%	5.3%
Benchmark return					
	Industrial	Office	All Retail	Alternatives	All
2016/17	5.4%	4.1%	5.0%	5.5%	4.8%
2017/18	4.9%	4.1%	5.1%	5.3%	4.8%
2018/19	4.4%	4.0%	5.1%	5.0%	4.6%
2019/20	4.4%	4.0%	5.4%	5.1%	4.7%
2020/21	4.4%	4.0%	5.6%	4.8%	4.6%
2021/22	3.4%	4.8%	5.2%	5.0%	4.7%

* Excludes Finance leases
**Capital Values as at 31/01/2022

- **Voids** – 40A Castle Street continues to be vacant and 40 Castle Street became vacant in January 2022 with a minor hit on the 21/22 budget, but which will be felt more severely in 22/23. Unit 2 at The Billings continues to struggle to let, meanwhile unit 4 became vacant in October 2021 equating to a loss of c.£39,000 pro-rated over 21/22. Since the Council’s acquisition of 2 Thornberry Way (The Rock) at Slyfield Industrial Estate in August 2019, the property has remained vacant due to the length of time to programme the major refurbishment works which are now complete, but also an abortive negotiation where the tenant withdrew negotiations.
- **Rent reviews** – Several rent reviews were put on hold during the pandemic to assist tenants during an unprecedented time. These were reviewed in 21/22 and added a further £174,000 p.a. to the income received.

- Sector Weighting** – Industrial remains the Council’s largest sector which continues to outperform the office and retail markets, primarily due to a considerable rise in Logistics and E-commerce demand. The upwards trend of industrial values helped mitigate the tail end effect of the pandemic, enabling the portfolio to sustain its value despite a fall in other sectors. Due to the increasing value of the industrial sector, its weighting now represents 58% of the portfolio.




- Continued decline in High Street Retailing** – the weakened performance of the Council’s retail assets reflects the continued impact of Covid-19 on the high street and food & beverage sectors. A decline in headline rents, lower turnover-based rents, rent waivers and increased risk around any upcoming lease renewals and rent reviews led to a marginal devaluation of the retail assets. Deferred rent and rent arrears repayments to be made at a future date over a 3-year period are also adding to increased uncertainty. Longer leaseholds with long-term income security however sustained their value.

As a result of these factors/market dynamics, the Fund performed well and significantly above benchmark. The Team continues to seek to maximise income generation through rent reviews, new lettings, and active asset management.

GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

KEY 5 TRANSACTIONS

	Property	Transaction
	10 to 12 Moorfield Road Slyfield	Rent review effective from 07/05/2021 achieving an annual uplift of £145,200pa
	122, 124A & 124B High Street	New 5-year lease from 23/04/2021 at £149,500pa
	11A & 11B Midleton Industrial Estate Road	New 10-year lease from 26/04/2021 at £126,000pa immediately following Practical Completion
	Unit 29 Midleton Enterprise Park	New 15-year lease from 01/03/2022 at £113,000pa following successful redevelopment of the estate
	The Brinell Factory, Lysons Avenue, Ash Vale	Rent review effective from 15/04/2021 achieving an annual uplift of £23,000pa

ASSET INVESTMENT FUND

The Asset Investment Fund of £40 million was approved by the Executive in January 2020 as part of the Capital and Investment Strategy 2020-21 to 2024-25. Due to a difficult post-Covid property market, changes in requirements for borrowing from the Public Works Loan Board (PWLB) and changes to the Minimum Energy Efficiency Standards (MEES), the Council decided at its Executive meeting on Tuesday 25 January 2022 to widen the remit of the fund to enable the Council to invest in its existing investment portfolio. The Council endorsed the development and procurement of an overall Industrial Estate Growth Strategy to include an overarching vision for the remaining estates. This will identify all redevelopment, acquisition, and disposal opportunities to enable the Council to protect and grow its financial returns, achieve its strategic objectives and financial excellence, and secure value for money.

LOCAL PROPERTY MARKET 2021/22 REVIEW

The past 12 months have seen the local industrial property market continuing to strengthen, positive signs of a recovery in the local office market with most of the activity resulting from the expansion seen in the gaming sector. The retail market has generally remained subdued with little sign of rental values showing any sustained recovery post lockdown and take up of new space particularly from multiples continuing to be impacted by more sales moving online.

The risks to the economy stemming from the pandemic appear to be receding, but new challenges have emerged that will impact activity in the year ahead. Inflation and the rising costs of living/energy costs and doing business will put a squeeze on households and companies, while labour shortages will continue to constrain output.

Industrial

Continued strong investment demand for industrial property drove yields down to new levels with the shift to online sales continuing to grow. This resulted in a surge in demand from E-commerce and third-party logistics operators. Despite not having a large logistics offering, industrial property within Guildford continued to perform well. A scarcity of supply, particularly for smaller sub-10,000 sq. ft. units, limited new build and strong levels of take up resulted in rental and capital value growth during the year.

With limited supply, the local market demonstrated strong rental growth in 2021. Aviva Investors refurbished 30,000 sq. ft. at Opus Park, which let with a headline rent of £13.50 per sq. ft. Savills IM commenced their refurbishment of the Cathedral Hill estate and additional supply will come from planned schemes, including the forthcoming Burnt Common estate, where planning consent has now been granted on the first phase.

The Council's redevelopment of Midleton (see section 'Major Projects' below) is one of very few pipeline developments in the Borough with the only other notable development being Aviva Investors' refurbishment of a 30,000 sq. ft. unit at Slyfield, launched in Q2 2021.

Office

The trend for home working continued during 21/22 and whilst staff started to return to the office in greater numbers, some occupiers continued to remain uncertain over longer term space requirements with a large proportion of staff continuing to work via a home/office hybrid approach. The Guildford office market did however perform well as one of the top performing South East markets with take up of space over the previous financial year trending well above average.

Activity was dominated by expansion of the gaming sector seen alongside a growing trend for existing corporates to consolidate their existing footprints. Demand for town centre Grade A space was reasonably robust and the strong expansion of the tech sector along with several conversions to residential limiting supply.

Q1 2022 saw strong take-up of 48,000 sq. ft. mainly by occupiers from the tech sector and made up entirely by grade A space. A lack of completions over 21/22 has however left the market starved of sizeable options, although several schemes are coming forward that will provide a substantial boost to Grade A supply.

Retail

With retail sales volumes falling, the increasing cost of living and interest rates approaching 10% fuelling fears of the risk of a recession, demand for new space remained low. Whilst Guildford saw a fall in prime retail rents during COVID-19 from c.£300 psf ZA (2018) to c.£175 psf ZA in 2020/21 there are some limited signs of recovery with several CVA's e.g., New Look now coming to an end. As rents have fallen, greater viability is being seen for some independent retailers moving back into the town.

However, there remains a lack of demand for those units in the 2000-5000 sq. ft. range being the typical space requirement of multiple fashion retailers who have remained inactive. The changes in Class E planning use have provided some greater flexibility in use to occupiers and some new food & beverage offers taking space. Retailers such as those located in the Friary Centre are generally renewing expiring leases where rental levels are considered sustainable on leases typically 5 years or less with flexible terms of occupation.

GBC INVESTMENT PROPERTY FUND PORTFOLIO ANNUAL REPORT

PROPERTY MARKET – OUTLOOK

Despite growing challenges in the wider economy, limited availability of Office space, continued expansion in the gaming sector and an emphasis on Grade A quality accommodation will continue to fuel incremental growth in prime office rents. Guildford’s prime office headline rent is forecast to move to a new benchmark of £37.00 per sq. ft. by the end of 2022, while the delivery of new space in the town centre will drive further growth over the next two years.

The rising cost of living has become an increasing concern in recent months along with the ongoing conflict in Ukraine which is creating additional inflationary pressure primarily through its impact in oil and natural gas prices. Heightened global geopolitical tensions have added an unexpected and unwanted layer of uncertainty to the outlook. Nonetheless, the ending of COVID restrictions should underpin a healthy economic recovery in 2022 and the fundamentals underpinning the growth of the industrial and logistics sector in which demand is anticipated to continue strongly both by occupiers and investors.

The outlook for the retail sector is seeing some gradual improvement at a local level with Guildford having been able to perform better than many other Southeast towns due to its wealthy catchment. The speed of recovery in retail will depend on how quickly consumers spend the savings amassed during the pandemic but also how they react to fears of a recession with interest rates continuing to increase. The next months will also provide a gauge on the propensity of some consumers to keep shopping online post-lockdown. Many within the industry also continue to advocate a wider reform of the business rates system. The re-purposing of retail assets, the growing importance of ESG issues, the evolving impact of Brexit are likely to be key issues for 2022/23.

MAJOR PROJECTS

Midleton Industrial Estate Redevelopment

The Council progressed the phased redevelopment of Midleton Industrial Estate during 2021/22 despite issues regarding the pandemic.



Phase 1 Following the completion of phase 1 in March 2021, both units were let for £126,063pa on a 10-year lease in April 2021. The semi-detached industrial/warehouse units provide c. 10,000 sq. ft. with offices.



Phase 2/3 Construction completed in early 2022 with the first two units being let in March before the end of the financial year, bringing in £127,000pa. Subsequently all units went under offer within 6 months of Practical Completion.

Phase 4 Construction of Phase 4 commenced in March 2022 with an expected completion date of late summer 2023. The development consists of 20 small industrial units between 500 – 800 sq. ft designed to encourage enterprises and to accommodate small, local start-up companies.



Unit 4, The Billings, Walnut Tree Close



At the end of 2021 the Council began refurbishment works to Unit 4 which included full internal redecoration to all floors as well as major roof repairs. The space is currently being marketed and the letting agents report some interest with draft terms in circulation. Although the office market is generally sluggish there is reasonable demand for Grade A newly refurbished office suites in the town centre.

The Rock, 2 Thornberry Way, Slyfield A refurbishment of The Rock completed in 2021 including a full strip out of the mezzanine floor and warehouse racking, a complete refurbishment to the third-floor office and kitchen, and an installation of a new heating and cooling system. The property is currently under offer (conditional on a planning decision) and expected to complete in September 2022 at a rent of £400,000p.a.



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

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-21	2021-22		Expenditure at P12	Projected exp est by project officer	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	Future years est exp 2022-23 to 2029-30	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
				Estimate approved by Council in February	Revised estimate											
		(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)	(j)	(h)-(i)-(j) = (k)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000
APPROVED SCHEMES																
COMMUNITY DIRECTORATE																
General Fund Housing																
	Disabled Facilities Grants		annual	605	605	582	1,036	605	605	605	-	1,815	2,851	(1,036)	-	1,815
	Better Care Fund		annual	-	-	404	-	-	-	-	-	-	-	-	-	-
	Home Improvement Assistance		annual	-	-	13	-	-	-	-	-	-	-	-	-	-
	Solar Energy Loans		annual	-	-	-	-	-	-	-	-	-	-	-	-	-
	BCF TESH Project		annual	-	-	-	-	-	-	-	-	-	-	-	-	-
	BCF Prevention grant		annual	-	-	38	-	-	-	-	-	-	-	-	-	-
	SHIP		annual	-	-	-	-	-	-	-	-	-	-	-	-	-
	General Grants to HAs		annual	100	100	-	-	100	100	100	-	300	300	-	-	300
	General feasibility, site preparation costs for affordable housing (no longer reqd)		annual	120	-	-	-	-	-	-	-	-	-	-	-	-
	Bright Hill Car Park Site			79	-	-	-	-	-	-	-	-	-	-	-	-
	Garage Sites-General			163	-	-	-	-	-	-	-	-	-	-	-	-
	Guildford Park feasibility			-	-	-	-	-	-	-	-	-	-	-	-	-
	Shawfield			2	-	-	-	-	-	-	-	-	-	-	-	-
	Site B10b feasibility			2	-	-	-	-	-	-	-	-	-	-	-	-
	Redevelopment bid 13			193	-	-	-	-	-	-	-	-	-	-	-	-
	Asset Management			-	-	-	-	-	-	-	-	-	-	-	-	-
ED14(e)	Void investment property refurbishment works	570	383	-	35	-	-	51	-	-	-	51	570	-	-	570
	Unit 2 The Billings void works (complete)	-	-	-	2	2	2	-	-	-	-	-	-	-	-	-
ED15	1 Midleton void works	-	-	-	9	-	-	9	-	-	-	9	-	-	-	-
	C4 41 Moorfield Road Slyfield void works	-	-	-	124	117	117	7	-	-	-	7	-	-	-	-
	1 North Moors void works	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-
ED14	5 High Street void works (complete)	-	-	11	13	-	-	-	-	-	-	-	-	-	-	-
ED14	10 Midleton void works	230	222	-	8	-	-	8	-	-	-	8	230	(100)	-	130
ED21	Methane gas monitoring system	100	45	51	55	3	3	52	-	-	-	52	100	-	-	100
ED22	Energy efficiency compliance - Council owned properties	245	82	163	163	-	-	163	-	-	-	163	245	-	-	245
ED26	Bridges -Inspections and remedial works	317	201	100	116	2	2	114	-	-	-	114	317	-	-	317
ED41	The Billings roof	200	29	170	171	163	163	8	-	-	-	8	200	-	-	200
ED44	Broadwater cottage	319	300	-	19	19	19	-	-	-	-	-	319	-	-	319
ED45	Gunpowder mills - scheduled ancient monument (complete)	222	196	-	26	5	5	-	-	-	-	-	201	-	-	201
ED51(p)	Guildford House Exhibition lighting (complete)	50	-	-	50	50	50	-	-	-	-	-	50	-	-	50
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	-	57	-	-	57	-	-	-	57	200	-	-	200
ED56	Foxenden Tunnels safety works (complete)	110	28	-	82	17	17	-	-	-	-	-	44	-	-	44
ED57	Holy Trinity Church boundary wall (complete)	63	52	2	11	1	1	-	-	-	-	-	53	-	-	53
CP1	SMP Ph1 Calorifer replacement (no longer reqd)	28	-	28	28	-	-	-	-	-	-	-	-	-	-	-
CP2	SMP Main pavilion amenity club (complete)	50	3	-	47	47	47	-	-	-	-	-	50	-	-	50
CP3	SMP cricket pavilion	120	4	116	116	116	116	-	-	-	-	-	120	-	-	120
	Office Services															
	COMMUNITY DIRECTORATE TOTAL	2,824	2,126	1,466	1,841	1,579	1,579	1,174	705	705	0	2,584	5,851	-1,136		4,715
ENVIRONMENT DIRECTORATE																
Operational Services																
OP1/OP20	Flood resilience measures (use in conjunction with grant funded schemes)	445	324	121	121	-	-	121	-	-	-	121	445	-	-	445
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	55	16	16	-	-	16	-	-	-	16	71	(19)	-	52
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	9,242	566	1,423	1,152	1,152	-	-	-	-	-	10,395	(26)	-	10,369
OP26	Marrow lane grille & headwall construction	60	3	57	57	-	-	57	-	-	-	57	60	-	-	60
OP27	Marrow & Burpham surface water study	15	-	15	15	-	-	15	-	-	-	15	15	-	-	15
OP28	Crown court CCTV	10	-	10	10	-	-	10	-	-	-	10	10	-	-	10
OP22	Town Centre CCTV upgrade	250	-	250	250	-	-	250	-	-	-	250	250	-	-	250
	Parks and Leisure															
PL11	Spectrum Roof replacement (complete)	4,000	1,783	151	168	12	12	-	-	-	-	-	2,945	-	-	2,945
	Spectrum roof - steelwork ph2(complete)	-	409	-	-	-	-	-	-	-	-	-	-	-	-	-
	Spectrum roof - steelwork ph3(complete)	-	740	-	-	-	-	-	-	-	-	-	-	-	-	-
PL15	Infrastructure works: Guildford Commons (complete)	150	4	-	2	2	2	-	-	-	-	-	6	-	-	6
PL15(a)	Infrastructure works: Guildford Commons: Marrow	-	15	-	-	-	-	-	-	-	-	-	15	-	-	15
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	129	-	-	-	-	-	-	-	-	-	129	-	-	129
PL20(c)	Redevelopment of Westborough and Park barn play area	320	-	320	320	-	-	320	-	-	-	320	320	-	-	320
PL34	Stoke cemetery re-tarmac	47	-	47	47	-	-	47	-	-	-	47	47	-	-	47
PL35	Woodbridge rd sportsground replace fencing(complete)	280	278	-	3	-	-	-	-	-	-	-	278	-	-	278
PL42	Pre-sang costs	100	57	-	43	43	43	-	-	-	-	-	100	-	-	100
PL57	Parks and Countryside - repairs and renewal of paths,roads and car parks	295	150	130	145	105	105	40	-	-	-	-	296	-	-	296
PL58	Shalford Common - regularising car parking/reduction of encroachments	121	26	99	95	3	3	32	60	-	-	92	121	-	-	121
PL60	Traveller encampments	53	-	48	53	-	-	53	-	-	-	53	53	-	-	53

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

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-21 (b) £000	2021-22		Expenditure at P12 (e) £000	Projected exp est by project officer (f) £000	2022-23 Est for year (ii) £000	2023-24 Est for year (iii) £000	2024-25 Est for year (iv) £000	2025-26 Est for year (v) £000	Future years est exp 2022-23 to 2029-30 (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											
PL60	Traveller transit site provision	127		75	127	-	-	127	-	-	-	127	127	-	127	
	Tice Meadow SCC	45			45	45	45	-	-	-	-	-	45	-	45	
	Works to Weir				-	418	418	-	-	-	-	-	418	-	418	
ENVIRONMENT TOTAL DIRECTORATE		17,054	13,216	1,905	2,940	1,780	1,780	1,088	60	-	-	1,108	16,144	(45)		15,510
FINANCE DIRECTORATE																
Financial Services																
FS1	Capital contingency fund	annual	-	5,000	4,955	-	-	2,000	2,000	2,000	2,000	10,000	10,000	-		10,000
RESOURCES DIRECTORATE TOTAL		0	0	5,000	4,955	0	0	2,000	2,000	2,000	2,000	10,000	10,000	0		10,000
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
Development / Infrastructure																
ED54	Rodboro Buildings - electric theatre through road and parking	450	27	422	423	9	9	369	11	-	-	380	416	-		416
P5	Walnut Bridge replacement	5,098	2,947	17	2,151	1,621	1,621	530	-	-	-	530	5,097	(2,393)	(950)	1,754
	SMC(West) Phase 1	4,403	1,567	1,658	2,836	218	218	182	-	-	-	182	1,967	(1,585)		382
P16	A331 hotspots	3,930	351	500	3,579	1,497	1,497	-	-	-	-	-	1,848	(328)		1,520
P14	Town Centre Approaches	1,033	453	400	580	585	585	-	-	-	-	-	1,038	(700)		338
P22	Ash Bridge Land acquisition	144	104	-	40	40	40	-	-	-	-	-	145	-		145
P21	Ash Road Bridge	33,746	2,780	19,697	10,501	3,569	3,569	18,984	8,413	-	-	27,397	33,746	(30,400)		3,346
P21	Ash Road Footbridge	500	29	279	180	29	29	406	36	-	-	442	500	-	-	500
	Broadband for Surrey Hills (B4SH)					3	3									
P11	Guildford West (PB) station	500	-	500	500	-	-	500	-	-	-	500	500	-		500
Development Financial																
	Investment in North Downs Housing (60%)	15,180	11,142	1,682	4,038	2,575	2,575	1,463	-	-	-	1,463	15,180	-		15,180
	Equity shares in Guildford Holdings Ltd (40%)	10,120	7,433	1,117	2,687	1,720	1,720	967	-	-	-	967	10,121	-		10,121
ED49	Middleton Ind Est Redevelopment	9,350	5,319	3,700	4,031	3,991	3,991	40	-	-	-	40	9,350			9,350
P12	Property acquisitions	33,520	8,309	25,000	25,211	458	458	24,753	-	-	-	24,753	33,520	-		33,520
PL9	Rebuild Crematorium	11,822	10,909	-	127	18	18	109	-	-	-	109	11,036	-		11,036
ED27	North Street Development / Guild Town Centre regeneration	1,627	1,137	-	340	336	336	154	-	-	-	154	1,627	(300)		1,327
P22	Guildford Economic Regeneration (GER) Programme	1,100		1,100	1,100	-	-	1,100				1,100	1,100			1,100
ED32	Internal Estate Road - CLLR Phase 1	11,139	10,913	-	226	32	32	193	-	-	-	193	11,139	(5,107)		6,032
ED6	Slyfield Area Regeneration Project (SARP)	98,444	8,420	28,347	17,460	13,025	16,466	53,724	3,436	-	-	57,160	98,644	(42,674)		55,970
ED6	WUV - Allotment relocation	200	612	-	-	2,029	-	-								
ED6	WUV - Int roads, Site clearance	-	1	-	-	-	-									
ED6	WUV - New GBC Depot	2,480	59	-	2,421	1,569	1,569	852				852	2,480			2,480
ED6	WUV - Thames Water relocation	-	14,895	-	-	1,412	-									
ED6	WUV - Land Purchase	-	1,091	-	-	-	-									
DEVELOPMENT/INCOME GENERATING/COST REDUCTION		244,786	88,497	84,419	78,431	34,736	34,737	104,326	11,896	0	0	116,222	239,454	-83,486	-950	155,017
APPROVED SCHEMES TOTAL		264,663	103,839	92,790	88,167	38,096	38,096	108,588	14,661	2,705	2,000	129,914	271,449	-84,668	-950	185,242
non-development projects total		19,878	15,342	8,371	9,736	3,359	3,359	4,262	2,765	2,705	2,000	13,692	31,995	-1,181	0	30,224
development/infrastructure - non-financial benefit		49,804	8,258	23,473	20,790	7,571	7,571	20,971	8,460	0	0	29,431	45,257	-35,406	-950	8,901
development- financial benefit		194,982	80,240	60,946	57,641	27,165	27,166	83,355	3,436	0	0	86,791	194,196	-48,081	0	146,116
TOTAL		264,663	103,839	92,790	88,167	38,096	38,096	108,588	14,661	2,705	2,000	129,914	271,449	-84,668	-950	185,242
SUMMARY																
APPROVED SCHEMES - TOTAL		264,663	103,839	92,790	88,167	38,096	38,096	108,588	14,661	2,705	2,000	129,914	271,449	(84,668)		185,242
GRAND TOTAL		264,663	103,839	92,790	88,167	38,096	38,096	108,588	14,661	2,705	2,000	129,914	271,449	(84,668)		185,242

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

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-21	2021-22	Revised estimate	Expenditure at P12	Projected expenditure by project officer	2022-23	2023-24	2024-25	2025-26	2026-27	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
				Estimate approved by Council in February				Est for year	Est for year	Est for year	Est for year	Est for year				
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																
COMMUNITY DIRECTORATE																
Corporate Property																
ED21(P)	Methane gas monitoring system	150	-	-	-	-	-	-	150	-	-	-	150	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties & CP5	3,218	-	768	768	-	-	1,268	1,450	500	-	-	3,218	3,218	-	3,218
ED26(P)	Bridges	370	-	370	370	-	-	370	-	-	-	-	370	370	-	370
ED48(p)	Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	-	-	-	3,152	-	3,152	3,152	-	3,152
ED56(p)	Land to the rear of 39-42 Castle Street	10	-	-	-	-	-	10	-	-	-	-	10	-	10	
Office Services																
BS3(p)	Millmead House - M&E plant renewal	33	-	-	-	-	-	33	-	-	-	-	33	33	-	33
COMMUNITY DIRECTORATE TOTAL		6,933	-	1,138	1,138	-	-	1,681	1,600	500	3,152	-	6,933	6,933	-	6,933
ENVIRONMENT DIRECTORATE																
Operational Services																
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	-	-	-	-	200	-	-	-	200	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	24,000	-	780	780	-	-	2,500	400	2,500	5,000	3,000	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
OP23(p)	Millmead House Lifts	200	-	-	-	-	-	200	-	-	-	-	200	200	-	200
OP24(p)	Yorkies Bridge Lighting	20	-	-	-	-	-	20	-	-	-	-	20	20	-	20
Parks and Leisure																
PL16(P)	New burial grounds - acquisition & development (complete)	88	38	30	50	-	-	-	-	-	-	-	-	38	-	38
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	-	150	-	-	150	150	-	150
PL45(p)	Stoke Pk gardens water feature refurb	40	-	40	40	-	-	40	-	-	-	-	40	40	(29)	11
PL56(p)	Stoke Park Masterplan enabling costs - (Not Required)	500	-	200	250	-	-	-	-	-	-	-	-	-	-	-
PL57(p)	Parks and Countryside - repairs and renewal of paths,roads and car parks	1,442	-	992	1,042	-	-	442	250	250	250	250	1,442	1,442	-	1,442
PL58(p)	Sports pavilions - replace water heaters (NO LONGER REQD)	154	-	42	70	-	-	-	-	-	-	-	-	-	-	-
PL59(p)	Millmead fish pass	60	-	60	60	-	-	60	-	-	-	-	60	60	-	60
PL60(p)	Stoke Park Paddling Pool	170	-	-	-	-	-	170	-	-	-	-	170	170	-	170
PL61(p)	Albury Closed Burial Ground	60	-	-	-	-	-	57	3	-	-	-	60	60	-	60
PL62(p)	Chilworth Gunpowder Mills	180	-	-	-	-	-	175	5	-	-	-	180	180	-	180
PL63(p)	Memorial Wall	100	-	-	-	-	-	100	-	-	-	-	100	100	-	100
PL34(p)	Stoke cemetery re-tarmac	93	-	-	-	-	-	93	-	-	-	-	93	93	-	93
ENVIRONMENT DIRECTORATE TOTAL		27,681	38	2,144	2,292	-	-	3,881	1,058	2,900	5,250	3,250	26,939	26,977	(49)	26,928
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
Development / Infrastructure																
Investment in North Downs Housing																
		30,100	-	5,518	5,518	-	-	5,518	12,539	-	-	-	18,057	18,057	-	18,057
	Equity shares in Guildford Holdings Ltd	-	-	3,683	3,683	-	-	3,683	8,360	-	-	-	12,043	12,043	-	12,043
P10(p)	Sustainable Movement Corridor	150	-	-	-	-	-	-	-	150	-	-	150	150	-	150
P11(p)	Guildford West (PB) station	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	-	4,521	4,521	-	-	-	183	4,288	50	-	4,521	4,521	(2,500)	2,021
Development Financial																
ED48(p)	Redevelop Middleton industrial estate	5,557	-	5,557	5,557	-	-	5,557	-	-	-	-	5,557	5,557	-	5,557
ED16(P)	Syfield Area Regeneration Project (SARP) (GBC share)	222,684	-	-	-	-	-	-	73,584	28,697	34,881	24,342	216,594	216,594	(52,300)	164,294
ED38(P)	North Street development	1,350	-	1,000	1,000	-	-	-	150	50	50	50	1,350	1,350	-	1,350
HC4(p)	Bright Hill Development (to HRA)	13,500	-	680	680	-	-	-	-	-	-	-	-	-	-	-
P12(p)	Property acquisitions	38,292	-	28,292	28,292	-	-	28,292	10,000	-	-	-	38,292	38,292	-	38,292
P22(p)	Guildford Economic Regeneration (GER) Programme	3,070	-	-	-	-	-	1,530	1,540	-	-	-	3,070	3,070	-	3,070
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		317,654	-	50,251	50,251	-	-	45,580	106,356	33,685	34,981	24,392	301,134	301,134	(54,800)	246,334
PROVISIONAL SCHEMES - GRAND TOTALS		352,268	38	53,533	53,681	-	-	51,142	109,014	37,085	43,383	27,642	335,006	335,045	(54,849)	280,196
non development projects																
		34,614	38	3,282	3,430	-	-	5,562	2,658	3,400	8,402	3,250	33,872	33,910	(49)	33,861
development/infrastructure - non-financial benefit																
		36,271	0	14,722	14,722	0	0	10,201	21,082	4,938	50	0	36,271	36,271	-2,500	33,771
development- financial benefit																
		281,383	0	35,529	35,529	0	0	33,849	83,734	28,747	34,931	24,392	261,793	261,793	-52,300	209,493
TOTAL		352,268	38	53,533	53,681	0	0	49,612	107,474	37,085	43,383	27,642	331,936	331,975	-54,849	277,126

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22				2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	Future years est exp	Projected expenditure total
				Estimate approved by Council in February	Revised estimate	Expenditure at P12	Projected exp est by project officer							
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
COMMUNITY DIRECTORATE														
ENERGY PROJECTS per SALIX RESERVE:(PR220)														
R-EN12	LED lighting	44		-	44	-	-	44	-	-	-	44	44	
R-EN13	ASHP CAB (no longer reqd)	28		28	28	-	-	-	-	-	-	-	-	
R-EN14	MILLMEAD HOUSE & FARNHAM ROAD CP - PV	192	70		122	84	84	37				37	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	-	-	27	-	-	-	27	28	
ENERGY RESERVES TOTAL		292	71	55	221	84	84	108	-	-	-	108	263	
FINANCE DIRECTORATE														
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually														
R-IT2	Hardware / software budget	500		500	320	-	-	303	440	-	-	743	743	
R-IT2	Hardware	annual	annual	-	-	13	13	-	-	-	-	-	13	
R-IT2	Software	annual	annual	-	-	627	627	-	-	-	-	-	627	
R-IT3	ICT Refresh Phase 2				180	77	77	197	60			257	334	
R-IT4	IDOX Acolaid to Uniform	275		-	275	-	-	-	-	-	-	-	-	
R-IT4	LCTS alternative	56		-	56	-	-	-	-	-	-	-	-	
IT RENEWALS RESERVE TOTAL		831	-	500	831	717	717	500	500	-	-	1,000	1,717	
ENVIRONMENT DIRECTORATE														
SPECTRUM RESERVE														
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	431	168	-	263	-	-	263				263	431	
	Spectrum - Retaining Wall	204			204	170	170	34				34	204	
	Lido - Drainage Works	65			65	2	2	63				63	65	
SPECTRUM RESERVE TOTAL		700	168	-	532	173	173	360	-	-	-	360	701	
CAR PARKS RESERVE														
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	930	930	-	-	-	-	930	-	930	1,170	
R-CP20	Car Parks - Lighting & Electrical improvements:													
R-CP14	Lift replacement (PR000293)	841	676	-	165	40	40	125	-	-	-	125	841	
R-CP17	Leapale rd MSCP drainage (PR000433)COMPLETE	90	26	-	64	-	-	-	-	-	-	-	26	
R-CP19	Structural works to MSCP	300	50	100	250	-	-	250	-	-	-	250	300	
R-CP20	MSCP- Deck surface replacement & barriers	652	526	-	126	-	-	126	-	-	-	126	652	
R-CP21	Additional barriers Farnham Rd	15		-	15	-	-	15	-	-	-	15	15	
R-CP22	Deck surface replacement (stair cores)Farnham Rd	70		-	70	-	-	70	-	-	-	70	70	
R-CP23	Deck surface replacement Leapale Rd	600	8	390	593	595	595	-	-	-	-	-	603	
R-CP25	Structural repairs roof turret timbers Castle St	210		-	60	-	-	205	5	-	-	210	210	

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-21	2021-22 Estimate approved by Council in February	Revised estimate	Expenditure at P12	Projected exp est by project officer	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	Future years est exp	Projected expenditure total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Car Park Lighting	300						300					300	300
	CAR PARKS RESERVE TOTAL	4,248	1,526	1,420	2,272	635	635	1,091	5	930	-	-	2,026	4,187
	SPA RESERVE :													
	SPA schemes (various)	100	annual	-	151	-	-	151	-	-	-	-	151	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	SPA RESERVE TOTAL	100	-	-	151	-	-	151	-	-	-	-	151	151
	GRAND TOTALS	6,171	1,765	1,975	4,008	1,609	1,609	2,210	505	930	-	-	3,645	7,019

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

1.0 AVAILABILITY OF RESOURCES - NOTES :

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

1.2 The actuals for 2020-21 and 2021-22 have not been audited.

1.3 Funding assumptions:

1. All capital expenditure will be funded in the first instance from available capital receipts and the General Fund capital programme reserve.
2. Once the above resources have been exhausted in any given year, the balance of expenditure will be financed from borrowing, both internally and externally, depending upon the Council's financial situation at the time.

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

2.0 Capital receipts - Balances (T01001)

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Balance as at 1 April	95	95	112	127	0	0	0	0
Add estimated usable receipts in year	2,571	0	984	0	0	0	21,641	27,117
Less applied re funding of capital schemes	(2,554)	(95)	(969)	(127)	0	0	(21,641)	(24,642)
Balance after funding capital expenditure as at 31 March	112	0	127	0	0	0	0	2,475

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

3.0 Capital expenditure and funding - summary

Estimated capital expenditure

Main programme - approved

Main programme - provisional

s106

Reserves

GF Housing

Total estimated capital expenditure

To be funded by:

Capital receipts (per 2.above)

Contributions

R.C.C.O. :

Other reserves

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

Total funding required

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
	27,710	92,790	38,096	108,588	14,661	2,705	2,000	2,000
	0	53,533	0	51,142	109,014	37,085	43,383	27,642
	81	0	72	293	0	0	0	0
	1,649	1,975	1,609	2,210	505	930	0	0
	0	0	0	0	0	0	0	0
Total estimated capital expenditure	29,440	148,298	39,777	162,233	124,180	40,720	45,383	29,642
	(2,554)	(95)	(969)	(127)	0	0	(21,641)	(24,642)
	(7,070)	(51,415)	(12,936)	(52,056)	(11,615)	(2,954)	0	0
	(6,164)	(2,195)	(2,360)	(2,279)	(725)	(1,150)	0	0
	0	0	0	0	0	0	0	0
	(15,787)	(53,705)	(16,266)	(54,462)	(12,340)	(4,104)	(21,641)	(24,642)
	(13,653)	(94,593)	(23,512)	(107,771)	(111,840)	(36,616)	(23,742)	(5,000)
Total funding required	(29,440)	(148,298)	(39,777)	(162,233)	(124,180)	(40,720)	(45,383)	(29,642)

4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April

Add: General Fund Revenue Budget variations

Contribution from revenue

Less: Applied re funding of capital programme

Balance after funding capital expenditure etc.as at 31 March

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
	600	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	600	0	0	0	0	0	0	0
	(600)	0	0	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	0	0	0	0	0	0	0	0
Estimated shortfall at year-end to be funded from borrowing	13,053	94,593	23,512	107,771	111,840	36,616	23,742	5,000

Estimated shortfall at year-end to be funded from borrowing

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

Balance as at 1 April (T01008)	3,618	0	(0)	(0)	0	0	0	0
Add: Estimated receipts in year	0	0	0	0	0	0	0	0
Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less: Applied re Housing company	(3,618)	0	0	0	0	0	0	0
	(0)	0	(0)	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand at year end	(0)	0	(0)	0	0	0	0	0

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

Balance as at 1 April (T01012)	0	0	0	0	0	0	0	0
Add: Estimated receipts in year	544	289	802	289	292	295	298	301
Less: Applied re Housing (General Fund) capital programme	(123)	(220)	(752)	(220)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(421)	(69)	(50)	(69)	(72)	(75)	(78)	(81)
	0	0	0	0	0	0	0	0
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	0	0	0	0	0	0	0	0

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6.1 Estimated annual borrowing requirement

	2020-21 Actuals £000	2021-22 Budget £000	2021-22 Est Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	
									Total £'000s
	13,053	94,593	23,512	107,771	111,840	36,616	23,742	5,000	308,481

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GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2021-22 to 2025-26

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-21	2021-22		Expenditure at P12	Projected exp est by project officer	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive
				Estimate approved by Council in February	Revised estimate												
		£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
APPROVED SCHEMES (fully funded from S106 contributions)																	
ENVIRONMENT DIRECTORATE																	
Operational Services																	
Parks and Leisure																	
S-PL36	Gunpowder mills - signage, access and woodland imps	36	22	-	14	-	-	149	-	-	-	-	149	171	(171)	-	
S-PL38	Chantry Wood Campsite	36		-	36	-	-	36	-	-	-	-	36	36	(36)	-	
S-PL51	Foxenden Quarry	101	3		98	11	11	88					88	101	(101)		
S-PL47	Fir Tree Garden	28	4	-	24	-	-		-	-	-	-		4	(4)	-	
S-PL48	Boardwalk Heathfield Nature Reserve	13			13	-	-	13					13	13	(13)		
S-PL49	Waterside Playarea Muti Unit	30			30	28	28	2					2	30	(30)		
S-PL50	Albury Playground Equip (PC)	23	17		5	-	-	5					5	22	(23)		
S-PL51	Lido Road Car Par	5			5	5	5						-	5	(5)		
S-PL52	West Horsley (PC) Playground	10			10	10	10						-	10	(10)		
S-PL53	Pirbright (PC) Drainage Works/Playground surfacing	10			10	11	11							11	(11)		
S-PL54	West Horsley (PC) Noticeboards	7			7	7	7							7	(7)		
ENVIRONMENT DIRECTORATE TOTAL		299	46	-	252	72	72	293	-	-	-	-	293	411	(412)	-	-
APPROVED S106 SCHEMES TOTAL		299	46	-	252	72	72	293	-	-	-	-	293	411	(412)	-	-

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2021-22 to 2026-27: HRA APPROVED PROGRAMME

	Project Budget £000	2020-21 Actual £000	Project Spend at 31-03-21 £000	2021-22 Estimate £000	Carry Forward	2021-22 Revised Estimate £000	Expenditure as at P12 £000	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	15,900	5,276	7,414	4,800	86	4,886	6,804	6,804	0	1,682	0	0	0	15,900
New Build														
N30012 Appletree pub site (complete)	3,200	18	3,502	0	0	0	62	62	0	0	0	0	0	3,564
N30019 Fire Station/Ladymead (complete)	2,000	17	1,917	0	83	83	41	41	0	0	0	0	0	1,957
N30011 Guildford Park	75	0	75	0	0	0	0	0	0	0	0	0	0	75
Guildford Park (from GF)	6,500	3,148	3,148	2,806	546	3,352	378	378	1,708	1,266	0	0	0	6,500
N30023 Bright Hill	500	0	0	0	500	500	17	17	483	0	0	0	0	500
N30029 Foxburrows Redevelopment	10,657	0	0	9,058	533	9,591	0	0	9,591	1,066	0	0	0	10,657
N30020 Shawfield Redevelopment	300	4	4	0	296	296	0	0	296	0	0	0	0	300
Various small sites & feasibility/Site preparation	1,000	0	0	0	0	0	0	0	0	1,000	0	0	0	1,000
Pipeline projects:	9,425	61	115	3,325	2,285	5,610	0	0	0	6,575	0	0	0	9,425
N30022 Manor House Flats							42	42	752					
N30026 Banders Rise							1	1	132					
N30027 Station Road East							2	2	115					
N30028 Dunmore Garden Land							1	1	160					
N30030 Clover Road Garages							46	46	698					
N30031 Rapleys Field							18	18	418					
N30032 Georgelands 108							1	1	123					
N30033 27 Broomfield							4	4	112					
N30034 17 Wharf Lane							4	4	106					
Development Projects	7,100								7,100					7,100
Schemes to promote Home-Ownership								0						
Equity Share Re-purchases	annual	458	annual	400	0	400	165	165	400	400	400	400	0	annual
Major Repairs & Improvements				6,582	2,618	9,200		0	24,500					
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathrooms & Void refurb	annual	971	annual				2,455	2,455						annual
Doors and Windows	annual	241	annual				312	312						annual
Structural/Roof	annual	307	annual				294	294						annual
Energy efficiency: Central heating/Lighting	annual	1,262	annual				1,525	1,525						annual
General	annual	880	annual				3,567	3,567						annual
ICT - Housing Management System	950								950	950				1,900
Grants														
Cash Incentive Scheme	annual	0	annual	75	0	75	0	0						annual
TOTAL APPROVED SCHEMES	57,607	12,643	16,174	27,046	6,948	33,994	15,739	15,739	47,643	12,939	400	400	0	58,877

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2020-21 to 2026-27: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2020-21 Actual £000	Project Spend at 31-03-21 £000	2021-22 Estimate £000	Carry Forward	2021-22 Revised Estimate	2021-22 Projected Outturn £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	7,000	0	0	0	0	0	0	3,000	4,000	0	0	0	7,000
New Build													
Guildford Park	16,000	0	1,225	14,499	250	14,749	0	26	14,749	0	0	0	16,000
Guildford Park (from GF)	23,125	0	0	4,380	0	4,380	0	0	4,380	11,625	7,120	0	23,125
Bright Hill	3,000	0	0	3,000	0	3,000	0	3,000	0	0	0	0	3,000
Bright Hill Development (from GF)	13,500	0	0	680	0	680	0	680	5,000	7,000	820	0	13,500
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	0	0	0	0	1,000	0	0	5,000	44,000	50,000
Shawfield Redevelopment	3,000	0	0	2,500	0	2,500	0	2,500	500	0	0	0	3,000
Major Repairs & Improvements													
Major Repairs & Improvements	annual		annual	0	0	0	0	0	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual										annual
Modern Homes: Kitchens and bathrooms	annual		annual										annual
Doors and Windows	annual		annual										annual
Structural	annual		annual										annual
Energy efficiency: Central heating	annual		annual										annual
General	annual		annual										annual
Grants													
Cash Incentive Scheme	annual		annual	0			0	75	75	75	75	75	annual
Total Expenditure to be financed	115,625	0	1,225	25,059	250	25,309	0	10,281	34,204	24,200	18,515	49,575	115,625

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

	2020-21 Actual	2021-22 Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE								
Approved programme	12,685	27,046	15,739	47,643	12,939	400	400	0
Provisional programme	0	25,059	0	10,281	34,204	24,200	18,515	49,575
Total Expenditure	12,685	52,105	15,739	57,924	47,143	24,600	18,915	49,575
FINANCING OF PROGRAMME								
Capital Receipts	421	400	752	400	400	400	400	0
1-4-1 receipts	2,186	18,019	2,980	7,594	2,836	2,762	2,841	2,898
Contribution from Housing Revenue a/c (re cash incentives)	0	75	0	75	75	75	75	75
Future Capital Programme reserve	0	0	0	11,547	950	0	0	23,462
Major Repairs Reserve	3,662	6,582	8,153	13,903	5,500	5,500	5,500	5,500
New Build Reserve	4,818	27,029	3,824	24,406	37,382	15,863	10,099	17,640
Grants and Contributions	1,599	0	30	0	0	0	0	0
Total Financing (= Total Expenditure)	12,685	52,105	15,739	57,924	47,143	24,600	18,915	49,575
RESERVES - BALANCES								
	2020-21 Actual	2021-22 Estimate	2021-22 Projected Outturn	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
Reserve for Future Capital Programme (U01035)								
Balance b/f	35,829	38,329	38,329	40,829	31,782	33,332	35,832	38,332
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	-11,547	-950	0	0	-23,462
Balance c/f	38,329	40,829	40,829	31,782	33,332	35,832	38,332	17,370
Major Repairs Reserve (U01036)								
Balance b/f	9,852	8,526	11,876	9,248	870	870	870	870
Contribution in year	5,686	5,500	5,525	5,525	5,500	5,500	5,500	5,500
Used in Year	-3,662	-6,582	-8,153	-13,903	-5,500	-5,500	-5,500	-5,500
Balance c/f	11,876	7,444	9,248	870	870	870	870	870
New Build Reserve (U01069)								
Balance b/f	56,112	54,634	59,383	62,632	46,610	17,779	10,637	9,434
Contribution in year	8,088	8,406	7,074	8,383	8,551	8,722	8,896	9,074
Used in Year	-4,818	-27,029	-3,824	-24,406	-37,382	-15,863	-10,099	-17,640
Balance c/f	59,383	36,011	62,632	46,610	17,779	10,637	9,434	869

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

Balance b/f	6,004	7,657	4,526	5,226	242	290	290	290
Contribution in year	708	2,609	3,680	2,609	2,884	2,762	2,841	2,898
Repayment in year	0	0	0	0	0	0	0	0
Used in Year	-2,186	-18,019	-2,980	-7,594	-2,836	-2,762	-2,841	-2,898
Balance c/f	4,526	-7,753	5,226	242	290	290	290	289

Note: a contribution to this reserve is dependent on the number of RTB sales in the year determined in the HRA self financing model. There are many variables to the calculation of the 1:4:1 contribution. As an estimate, I have used a model provided by Sector which is based on our assumption of RTB sales

Usable Capital Receipts - HRA Debt Repayment (T01010)

Balance b/f	4,216	4,243	4,262	5,280	5,941	6,624	7,329	8,057
Contribution in year	46	661	1,017	661	683	705	728	752
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	4,262	4,904	5,280	5,941	6,624	7,329	8,057	8,809

Note: each RTB sale generates a contribution to this reserve toward debt repayment determined in the HRA self financing model. A small number of sales are anticipated each year.

Usable Capital Receipts - pre 2013-14 (T01008)

Balance b/f	3,618	2,260	-0	-0	0	0	0	0
Contribution in year	0	0	0	0	0	0	0	0
Used in Year (HRA = above)	0	0	0	0	0	0	0	0
Used in Year (GF Housing Co)	-3,618	0	0	0	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	-0	2,260	-0	0	0	0	0	0

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

Usable Capital Receipts - post 2013-14 (T01012)

Balance b/f	0	0	-0	50	50	50	50	50
Contribution in year	542	289	802	289	292	295	298	298
Used in Year (HRA = above)	-419	-69	-752	-69	-72	-75	-78	-78
Used in Year (GF Housing)	-123	-220	0	-220	-220	-220	-220	-220
Balance c/f	-0	0	50	50	50	50	50	50

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

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Schedule of investments at 31 March 2021

Counterparty	Principal £	Rate	Start	End
Fixed investments				
LA - LB Islington	5,000,000	1.0000%	07-Apr-20	06-Apr-21
LA - Birmingham City Council	5,000,000	1.1000%	27-Apr-20	26-Apr-21
Metropolitan Housing Trust	2,000,000	1.5000%	28-May-20	28-May-21
LA - Plymouth Council	5,000,000	0.1200%	05-Jan-21	05-Jul-21
LA - Wokingham BC	5,000,000	0.2700%	10-Nov-20	09-Nov-21
LA - Thurrock Council	2,000,000	0.3800%	04-Jan-21	04-Jan-22
LA - Thurrock Council	4,000,000	0.3800%	13-Jan-21	12-Jan-22
LA - Aberdeen City	5,000,000	0.1000%	18-Jan-21	17-Jan-22
LA - IOW	5,000,000	0.1000%	20-Jan-21	19-Jan-22
LA - Thurrock Council	4,000,000	0.3800%	02-Feb-21	01-Feb-22
LA - Warrington BC	10,000,000	0.3000%	12-Mar-21	11-Mar-22
LA - PCC Sussex	4,000,000	0.0500%	30-Mar-21	28-May-21
	56,000,000			
Short-term Bonds				
London Stock Exchange	2,000,000	0.1720%	19-Jan-21	02-Nov-21
	2,000,000			
Long-term Covered bonds				
National Australia Bank	2,000,000	1.1250%	10-Nov-16	10-Nov-21
Commonwealth Bank of Austr	2,000,000	1.1250%	18-Jan-17	22-Dec-21
CIBC	2,000,000	1.1250%	17-Jul-17	30-Jun-22
Santander UK plc	1,000,000	0.3034%	16-Nov-17	16-Nov-22
Barclays Bank UK PLC	1,000,000	0.4771%	23-Oct-18	09-Jan-23
Nationwide	850,000	0.4729%	12-Apr-18	12-Apr-23
United Overseas Bank	1,000,000	0.3040%	01-Feb-19	28-Feb-23
Santander UK plc	1,000,000	0.7850%	12-Feb-19	12-Feb-24
Nationwide	1,500,000	0.6070%	10-Jan-20	10-Jan-25
Leeds BS	750,000	0.5967%	15-Jan-20	15-Jan-25
Coventry BS	500,000	0.5767%	15-Jan-20	15-Jan-25
Lloyds	1,500,000	0.4255%	03-Feb-20	03-Feb-23
National Australia Bank	1,000,000	0.5555%	04-Feb-20	04-Feb-25
	16,100,000			

Agenda item number: 8
Appendix 4

Counterparty	Principal £	Rate	Start	End
Long-term investments				
Staffordshire Moorlands	1,500,000	1.3000%	20-May-20	20-May-22
LB Croydon	5,000,000	0.9500%	05-May-20	04-May-21
Highland Council	5,000,000	2.0000%	14-Apr-20	14-Apr-21
Rugby Borough Council	2,000,000	2.0500%	15-Apr-20	15-Apr-21
Southern Housing Group Ltd	6,000,000	1.4500%	09-Mar-21	09-Sep-21
Uttlesford DC - Saffron Walden	3,000,000	0.4500%	24-Nov-20	24-May-22
	22,500,000			
Notice Accounts				
Barclays	3,000,000			
	3,000,000			
Call Account				
HSBC	325,500			
	325,500			
Money market funds				
Aberdeen	7,029,000			
BNP	5,203,000			
Aviva	8,466,000			
CCLA	7,000,000			
Federated	11,521,000			
	39,219,000			
Total internally managed	139,144,500			
Externally managed				
CCLA	6,491,179			
Federated Cash Plus	5,000,000			
Royal London	2,332,194			
M&G	3,528,656			
Schroders	697,631			
Fundamentum (REIT)	1,970,000			
UBS	2,203,598			
Funding Circle	508,476			
Total Externally managed	22,731,734			
Total investments	161,876,234			

Economic background – a commentary from Arlingclose

Economic background: The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.

Bank Rate was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that.

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for February 2022 registered 6.2% year on year, up from 5.5% in the previous month and the highest reading in the National Statistic series. Core inflation, which excludes the more volatile components, rose to 5.2% y/y from 4.4%.

The government's jobs furlough scheme insulated the labour market from the worst effects of the pandemic. The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. Having peaked at 5.2% in December 2020, unemployment continued to fall and the most recent labour market data for the three months to January 2022 showed the unemployment rate at 3.9% while the employment rate rose to 75.6%. Headline 3-month average annual growth rate for wages were 4.8% for total pay and 3.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 0.1% while regular pay fell by 1.0%.

With the fading of lockdown – and, briefly, the 'pingdemic' – restraints, activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Gross domestic product (GDP) grew by an upwardly revised 1.3% in the fourth calendar quarter of 2021 according to the final estimate (initial estimate 1.0%) and took UK GDP to just 0.1% below where it was before the pandemic. The annual growth rate was revised down slightly to 7.4% (from 7.5%) following a revised 9.3% fall in 2020.

Having increased Bank Rate from 0.10% to 0.25% in December, the Bank of England hiked it further to 0.50% in February and 0.75% in March. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.

In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report. The Committee also noted that although GDP in January was

stronger than expected with business confidence holding up and the labour market remaining robust, consumer confidence had fallen due to the squeeze in real household incomes.

GDP growth in the euro zone increased by 0.3% in calendar Q4 2021 following a gain of 2.3% in the third quarter and 2.2% in the second. Headline inflation remains high, with CPI registering a record 7.5% year-on-year in March, the ninth successive month of rising inflation. Core CPI inflation was 3.0% y/y in March, was well above the European Central Bank's target of 'below, but close to 2%', putting further pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at a downwardly revised annualised rate of 6.9% in Q4 2021, a sharp increase from a gain of 2.3% in the previous quarter. In its March 2022 interest rate announcement, the Federal Reserve raised the Fed Funds rate to between 0.25% and 0.50% and outlined further increases should be expected in the coming months. The Fed also repeated it plan to reduce its asset purchase programme which could start by May 2022.

Financial markets: The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.

Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.

The 5-year UK benchmark gilt yield began the quarter at 0.82% before rising to 1.41%. Over the same period the 10-year gilt yield rose from 0.97% to 1.61% and the 20-year yield from 1.20% to 1.82%.

The Sterling Overnight Rate (SONIA) averaged 0.39% over the quarter.

Credit review: In the first half of FY 2021-22 credit default swap (CDS) spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but then fell back. Fitch and Moody's revised upward the outlook on a number of UK banks and building societies on the Authority's counterparty to 'stable', recognising their improved capital positions compared to 2020 and better economic growth prospects in the UK.

Fitch also revised the outlook for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable. The agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

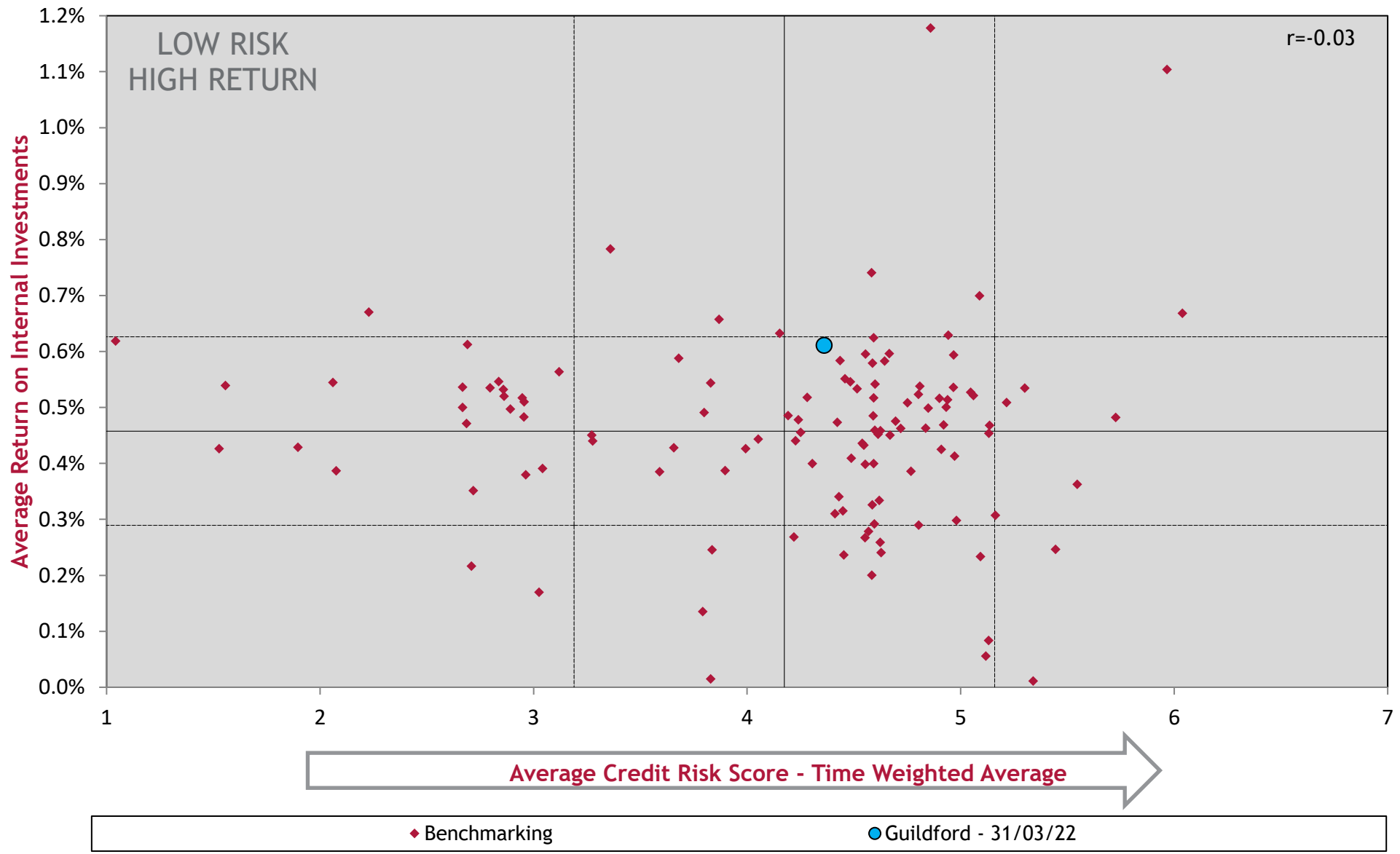
The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.

Having completed its full review of its credit advice on unsecured deposits, in September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the

non-UK banks on this list. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

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Internal Investments: Average Rate vs Credit Risk (time-weighted)



Credit score analysis

Scoring:

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10

The value-weighted average reflects the credit quality of investments according to the size of the deposit. The time-weighted average reflects the credit quality of investments according to the maturity of the deposit

The Authority aimed to achieve a score of 7 or lower, to reflect the council’s overriding priority of security of monies invested and the minimum credit rating of threshold of A- for investment counterparties.

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Credit Rating Equivalents and Definitions

	Fitch	Moody's	Standard & Poor's
Long Term Investment Grade	AAA	Aaa	AAA
	AA+	Aa1	AA+
	AA	Aa2	AA
	AA-	Aa3	AA-
	A+	A1	A+
	A	A2	A
	A-	A3	A-
	BBB+	Baa1	BBB+
	BBB	Baa2	BBB
	BBB-	Baa3	BBB-
Sub Investment Grade	BB+	Ba1	BB+
	BB	Ba2	BB
	BB-	Ba3	BB-
	B+	B1	B+
	B	B2	B
	B-	B3	B-
	CCC+	Caa1	CCC+
	CCC	Caa2	CCC
	CCC-	Caa3	CCC-
	CC+	Ca1	CC+
	CC	Ca2	CC
	CC-	Ca3	CC-
	C+	C1	C+
	C	C2	C
	C-	C3	C-
	D		D or SD

Fitch	Moody's	Standard & Poor's
<p>AAA</p> <p>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.</p>	<p>Aaa</p> <p>Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.</p>	<p>AAA</p> <p>An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Pools.</p>
<p>AA</p> <p>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.</p>	<p>Aa</p> <p>Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.</p>	<p>AA</p> <p>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.</p>
<p>A</p> <p>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.</p>	<p>A</p> <p>Obligations rated A are considered upper-medium grade and are subject to low credit risk.</p>	<p>A</p> <p>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.</p>
<p>BBB</p> <p>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.</p>	<p>Baa</p> <p>Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.</p>	<p>BBB</p> <p>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.</p>

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- There is a risk that a counterparty may default on its obligations or become insolvent, which may have a negative impact on the fund
- Investments in Emerging markets tend to have larger price fluctuations than more developed countries.
- There is a risk that one or more countries will exit the Euro and re-establish their own currencies. There is an increased risk of asset prices fluctuating or losing value. It may also be difficult to buy and sell securities and issuers may be unable to repay the debt. In addition, there is a risk that disruption in Eurozone markets could give rise to difficulties in valuing the assets of the fund.

Schroder Income Maximiser Fund

The funds objective is to provide income with potential capital growth primarily through investment in equity and equity related securities of UK companies. The fund will also use derivative instruments to generate income.

The manager may selectively sell short dated call options over securities or portfolios of securities held by the fund or indicies, in order to generate additional income by setting target 'strike' prices at which those securities may be sold in the future. The manger may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options. Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, derivatives, cash, deposits, warrants and money market transactions.

The fund aims to deliver a target yield of 7% per year, although this is an estimate and is not guaranteed. There are four quarterly distributions in a year, each calculated by dividing the quarterly distribution amount by the unit price at the start of that quarter.

UBS Multi-Asset Income Fund

The fund seeks to provide income, through a diversified portfolio of investments. Capital growth will not be a primary consideration, although opportunities for growth may occur if market conditions are favourable.

The fund will invest in a mix of transferrable securities including domestic and international equities and bonds, units in collective investment schemes, warrants, money market instruments, deposits, and cash or near cash, as the Investment Manager deems appropriate. There are no geographical restrictions on the countries of investment.

The Fund may use a range of derivative instruments which include foreign exchange, forward and futures contracts, swaps and options and other derivatives for investment purposes and / or to manage interest rate and currency exposures.

Index futures and other derivatives are used to manage market exposure inherent in an invested portfolio. Increasing or reducing market and currency exposure will entail the use of long or net short positions in some derivative instruments.

Risk profile

The main risks arising from the funds instruments are market price risk and foreign currency risk. Market price risk is the uncertainty about future price movements of the financial instruments the fund is invested in. Foreign currency risk is the risk that the value in the funds investments will fluctuate as a result in foreign exchange rates. Where the fund invests in overseas securities, the balance sheet can be affected by these funds due to movements in foreign exchange rates.

Investments in less developed markets may be more volatile than investments in more established markets. Less developed markets may have additional risks due to less established market practices. Poor liquidity may result in a holding being sold at a less favourable price, or another holding having to be sold instead.

Bonds carry varying levels of underlying risk, including default risk, dependent upon their type. These range from gilts, which carry limited levels, to speculative/non-investment grade corporate bonds, that carry higher levels of risk but with the potential for greater capital growth.

Over 35% of the fund may be invested in securities issued by any one body.

The fund will use derivatives as part of its investment capabilities. This allows it to take 'short positions' in some investments and it can sell a holding they do not own, on the anticipation that its value will fall. These instruments carry a material level of risk and the fund could potentially experience higher levels of volatility should the market move against them.

In order to trade in derivative instruments they enter into an agreement with various counterparties. Whilst they assess the credit worthiness of each counterparty, the fund is at risk that it may not fulfil its obligations under the agreement.

In aiming to reduce the volatility of the fund they utilise a risk management process to monitor the level of risk taken in managing the portfolio, however there is no guarantee that this process will work in all instances

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Glossary

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

Arlingclose – the Council’s treasury management advisors

Asset Quality Review (AQR) – a review conducted by the ECB and national competent authorities examine whether assets were properly valued on a banks’ balance sheet at 31 December 2013. It made banks comparable across national borders, by applying common definitions for previously diverging concepts and a uniform methodology when assessing balance sheets. The review provides the ECB with substantial information on the banks that will fall under its direct supervision and will help its efforts in creating a level playing field for supervision in future.

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 of England – the central bank for the UK. It has a wide range of responsibilities, including act as the Government’s bank and the lender of last resort, it issues currency and, most importantly, oversees monetary policy.

Bank Rate – the Bank of England base rate

Bank Recovery and Resolution Directive (BRRD) – this directive ensures that EU member states have a harmonised toolkit to deal with the failure of banks and investment firms. It will make the EU financial system less vulnerable to shocks and contagion

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

CCLA – the local authority property investment fund

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 of Communities and Local Government

Consumer Price Index (CPI) – measures changes in the price level of a market basket of consumer goods and services purchased by households.

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

Deposit Guarantee Scheme Directive (DGSD) – directive which requires EU member states to introduce at least one deposit guarantee scheme in their jurisdiction to provide protection for depositors and to reduce the risk of bank runs.

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.

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'.

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

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 Central Bank (ECB) – the central bank responsible for the monetary system of the European Union (EU) and the euro currency. Their responsibilities include to formulate monetary policy, conduct foreign exchange, hold currency reserves and authorise the issuance of bank notes.

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.

Federal Reserve Bank (Fed) – the central bank of the US and the most powerful institution of the world.

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.

FTSE – a company that specialises in index calculation. Co-owners are the London Stock Exchange and the Financial Times. The FTSE 100 is an index of blue chip stocks on the London Stock Exchange.

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

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.

Gross Domestic Product – the monetary value of all finished goods and services produced within a country's borders in a specific time period, although it is usually calculated on an annual basis.

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.

M&G – M&G Global Dividend fund. The fund invests mainly in global equities.

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

Moody's - a credit rating agency. They provide international financial research on bonds issued by commercial and government entities. They rank the creditworthiness of borrowers using a standardised ratings scale which measures expected investor loss in the event of default. They rate debt securities in several markets related to public and commercial securities in the bond market.

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

Monetary Policy Committee – the regulatory committee of the Central Bank that determine the size and rate of growth of the money supply, which in turn, affects interest rates.

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 worst 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

Prudential Regulation Authority (PRA) – is responsible for the prudential regulation and supervision of around 1,700 banks, building societies, credit unions, insurers, and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.

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.

Quantitative easing (QE) – a type of monetary policy used by central banks to stimulate the economy when standard monetary policy has become ineffective. It is implemented by buying specified amounts of financial assets from commercial banks and other private institutions, raising the prices of those financial assets and lowering their yield, while simultaneously increasing the monetary base.

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.

SME (Small and Midsize Enterprises) – a business that maintains revenue or a number of employees below a certain standard.

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

Standard & Poors (S&P) – a credit rating agency who issues credit ratings for the debt of public and private companies, and other public borrowers. They issue both long and short term ratings.

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

SWIP – SWIP Absolute Return Bond fund. They invest in fixed income securities, index linked securities, money market transactions, cash, near-cash and deposits.

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

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

Treasurynet – the Council's cash management system

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

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

Voluntary Revenue Provision (VRP) – 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)

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Council Report

Report of Strategic Director - Place

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Date: 6 December 2022

Supplementary Estimate for funds in respect of planning appeals relating to Member overturn decisions

Executive Summary

Appeals against planning decisions are a statutory provision within planning law. An applicant can appeal any decision (or failure to make a decision). Where an appeal is lodged the local planning authority should be prepared to make a robust defence of its decision. For most appeals this is done at officer level. Therefore, whilst there is a time cost to this there is not a cost in terms of appointing consultants to defend the decision on behalf of the Council.

For large scale appeals on complex applications there is a necessity to appoint Counsel and specialist witnesses. However, in these cases there is still the expectation that Council officers will act as the planning witness.

Where an application is refused contrary to the officer's recommendation these tend to be more controversial. Often such overturns will be considered by either a hearing or inquiry, and this necessitates attendance in person to defend the appeals. Due to conflicts in respect of professional integrity Council officers who have recommended approval cannot professionally defend a refusal. Therefore, it is necessary to appoint external consultants to defend such appeals. There is no budget for such appointments and therefore supplementary budgets are required to secure funds to make such appointments.

This report seeks a supplementary budget for three appeals which have already been considered and to agree the funding of those. Going forward a supplementary estimate will be brought forward at the time an appeal is made to secure agreement for monies to defend the appeal.

Given the status of the appeals this report does not present a range of options, however, future reports would include an option not to agree the funding which would necessitate a reconsideration as to whether the appeal should be defended.

At its meeting held on 24 November 2022, the Executive also considered this report and endorsed the recommendation below.

Recommendation to Council

That a supplementary estimate for the Development Management service of £535,000 to cover the payments required to defend three significant appeals relating to Member overturn decisions which were subsequently heard at either public inquiry or as a hearing, be approved.

Reasons for Recommendation:

To ensure robust defence of planning appeals resulting from Member overturn decisions.

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

1. Purpose of Report

- 1.1 The purpose of this report is to request a supplementary budget for the costs of defending recent planning appeals resulting from the overturn of a number of officer recommendations to approve. This has resulted in the need to appoint external consultants to handle the appeals as their refusals are against the professional advice of officers meaning those officers are unable to professionally represent the Council's position at the relevant Hearings/Public Inquiries.

2. Strategic Priorities

- 2.1 This proposal supports delivery of the following key aspects of the Council's strategic priorities as follows:
- 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

Approval of the recommendations within this report will enable the funds to be available to appoint appropriate persons to defend the Council's position at appeal. Robust defending of appeal decisions ensures that strategic priorities are met at promoting high quality development.

3. Background

- 3.1 Budget provisions for Development Management include only a very small budget amount for dealing with appeals wrapped up with a 'Consultancy' account code.
- 3.2 Once an appeal is lodged the Council has limited time to submit relevant information to defend the appeal. Where the appeal resulted from an 'officer' level decision this is carried out by the original case officer. There is little additional 'spend' on smaller appeals, although there is a time cost.
- 3.3 For larger appeals considered under Hearing or Inquiry procedures there is likely to be the need to bring in additional support to the main case officer to defend reasons which relate to specialist areas and/or to appoint additional legal support to act on behalf of the Council, i.e. Counsel. Where these larger appeals relate to officer level decisions it is still likely that there would be a significant cost impact. However, the recommendation would have been known much earlier in the process meaning there is a greater opportunity to plan for the appeal.
- 3.4 Should an inquiry level appeal be lodged in respect of an application refuse contrary to the officer's recommendation then less time is available. Furthermore, this is considered an unexpected cost due to the overturn and additional cost will be incurred due to the need to appoint a professional planning witness.
- 3.5 Historically these budget deficits have not been reported, however, this does not address the additional spend requirements. They are NOT budgeted for and therefore a supplementary budget is required to secure this.
- 3.6 Going forward individual supplementary requests will be brought forward for each appeal, however, it is noted that there have been three relatively recent appeals of member overturns. Therefore, this report seeks a single supplementary budget to cover the additional spend in respect of the three appeals.
- 3.7 Officers follow procurement procedures in all appointments made to ensure the Council is receiving appropriate value for money.

4. Consultations

- 4.1 Finance team (Emma Parry)

5. Key Risks

- 5.1 Failure to secure appropriate funding to defend a planning decision at appeal will likely leave the Council open to significant risk of either losing the appeal and/or have Costs awarded against the Council. This brings a wider financial risk and significant reputational risk to the Council.

6. Financial Implications

- 6.1 The increase in staffing resources will result in a cost increase to current budget provision. There are three appeals which are the subject of this report which have attracted significant expenditure and those amounts are included here as they relate to the current financial year:

Land at Ash Manor (Inquiry)

QC: £138,600.00
Supporting barrister: £75,204.00
Energy consultant £780.00

£214,584

Howard of Effingham (Inquiry)

Counsel: £80,000 likely cost given length of inquiry
Planning and Design Witness: £33,700
Housing Land Supply: £25,000
School need & costings witness £107,700
Viability: £10,630
Heritage: £12,440

Total: £269,470

Costs above are estimates as final invoices will be sent following conclusion of the inquiry which has increased in length since the outset.

Urnfield (Hearing)

Planning expert £10,000

- 6.2 These represent the known costs; however, given the increase in length of the Howard of Effingham inquiry costs associated with that appeal could be also increased as original quotes were based on the original length of time. It is therefore prudent to include a buffer within the cost for that inquiry taking the overall estimate to £300,000 for this inquiry. Additionally, the Ash Manor figure is rounded up to £225,000.

- 6.3 These costs are likely NOT to be recovered irrespective of the outcome of the appeal. It is a general principle of planning appeals that each side meets its own costs. A party is only awarded Costs when there is an issue of unreasonable behaviour from another party. The Council should also be cautious of making spurious Costs applications as a matter of course. During the Ash Manor inquiry the Council made a successful partial costs counter claim following a spurious application made by the appellant. However, the scope of these costs is limited purely to the cost associated with defending the applicant's costs claim and is not part of the figures here.
- 6.4 Officers seek to ensure best value for money in appointments to defend appeals whilst ensuring that those appointed are qualified to make a robust case. Choices are also often limited due to the specialist nature of the fields where witness are required and avoiding potential conflicts of interest. It should also be noted that the Ash Manor appeal was ultimately dismissed highlighting the importance of properly defending decisions, however, it should be noted that this was at a high financial cost to the Council. By way of further update the 'Urnfield' appeal referenced in this report has recently been determined with the appeal allowed. The Costs application made by the applicant was successfully defended.
- 6.5 As the total supplementary estimate is in excess of £500,000, full Council approval is required under Financial Procedure Rules.

7. Legal Implications

- 7.1 None

8. Human Resource Implications

- 8.1 None

9. Equality and Diversity Implications

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

10. Climate Change/Sustainability Implications

- 10.1 No such implications apply

11. Summary of Options

- 11.1 This report is seeking a supplementary budget for 2022-23 of £535,000 to cover appointments made in respect of these appeals. Given these appeals are already underway there no alternative option in this instance. The

Business Rates Equalisation reserve can be used to fund this supplementary estimate.

- 11.2 It should be noted that alternative options for reports presented in future could include items such as withdrawing reasons for refusal or accepting that the Council will not defend particular matters if funding is not agreed.

12. Conclusion

- 12.1 The appeals referenced in this report necessitated the appointment of external consultants to represent the Council and robustly defend the reasons for refusal. The supplementary expenditure is considered essential.

13. Background Papers

None

14. Appendices

None

Council Report

Report of Acting Returning Officer

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Date: 6 December 2022

Polling District & Polling Places Review 2022

Executive Summary

Following the final recommendations of the Local Government Boundary Commission for England's Periodic Review of Electoral Arrangements for Guildford Borough Council in 2021-22, a review of all polling districts and polling places under the new warding patterns has been undertaken in preparation for the full Borough Council and Parish Council Elections to be held on 4 May 2023. The Register of Electors will be re-published on 1 February 2023 reflecting the new warding patterns.

The purpose of this report is to consider recommendations arising from the review including the consultation responses. All such reviews are based on polling districts and polling places for parliamentary elections. The arrangements made for parliamentary elections are also used at all other elections.

A list of existing polling districts and current designated polling places is attached as **Appendix 1** to this report.

The consultation period commenced on 4 October and ended on 15 November 2022 and ten responses were received. Details of the representations received during the consultation are set out in **Appendix 2**.

Maps of the proposed new polling districts, which have been amended in response to the consultation, are attached as **Appendices 3 - 23**. A list of the proposed Designated Polling Places for the new Polling Districts is attached as **Appendix 24**.

The Returning Officer is able to make temporary changes to polling places under delegated powers should the need arise at any election.

A screening Equality Impact Assessment (EIA) was carried out, but a full EIA was not considered to be appropriate.

Recommendation to Council:

- (1) That the new polling districts, as shown on the maps attached as Appendices 3 - 23 to this report, be approved.
- (2) That the designated polling places for each of the polling districts as shown on the maps in Appendices 3 – 23 to this report and listed by address in Appendix 24 be approved.

Reason for Recommendation:

As a result of this statutory review, the new designated polling places will improve elector polling experience and further reduce the necessity for schools to close on polling days.

1. Purpose of Report

- 1.1 Following the consultation on the review of polling districts and polling places, the Council is asked to approve the proposed new polling districts and designated polling places as shown on the maps in Appendices 3 – 23 and listed in Appendix 24 to this report. Once approved, the polling districts and designated polling places, will be used whenever an election is held within the Guildford Borough voting area.

2. Strategic Framework

- 2.1 The outcome of the polling district and polling place review and the changes made offer the public better access to polling places. It reflects as far as possible what the community needs given the sometimes still limited choice of public buildings available for voting. The relocation of some of the designated polling places will particularly assist with disabled access and the secrecy of the vote, which is a key consideration in the location of any polling station. This falls within the Community strategic priority.
- 2.2 In addition, where it has been possible to relocate a polling place away from a school, there will clearly be less disruption experienced by parents and children attending those schools which normally close on polling day. This ensures a better-quality service to the public and falls within our Value of providing good value for money services.

3. Background

- 3.1 The scope of the recent review of polling districts and polling places is in response to the Ward Boundary changes following the periodic electoral review carried out by the Local Government Boundary Commission for England. The changes are now finalised with the approval by Parliament on 11 November 2022 of *The Guildford (Electoral Changes) Order 2022*. The changes affect the Wards and the number of Councillors within Guildford borough. The changes come into effect for the Borough Council Elections in May 2023, where 48 councillors will be elected to the new Wards.

- 3.2 The review covers the drawing of new polling district boundaries within wards, and the designation of polling places to serve each of those polling districts.
- 3.3 A polling district is a sub-area of an electoral area (such as a ward or constituency) that is divided for the purposes of delivering an election. In parished areas, each parish or parish ward is to be treated as a separate polling district. A polling place is the building or area in which polling stations will be located. A polling place within a polling district must be designated so that polling stations are within easy reach of all electors from across the polling district. The polling station is the actual room or area where the voting takes place. There should be no more than 2,500 electors allocated to a particular polling station.
- 3.4 The responsibility for designating polling districts is for the Council to determine. In drawing up polling district boundaries the Council must ensure that all electors in the area have such reasonable facilities for voting as are practicable in the circumstances.
- 3.5 Polling places are normally designated within the boundary of the polling district unless there are special circumstances that prevent this, for example a lack of suitable buildings.
- 3.6 In designating polling places, the Council must seek to ensure that:
- a) all electors have such reasonable facilities for voting as are practicable in the circumstances; and
 - b) so far as is reasonable and practicable, the polling places they are responsible for are accessible to all electors, including those who are disabled.
- 3.7 A list of the existing polling districts and current designated polling places is attached as **Appendix 1** to this report. All polling places that are to remain unchanged are deemed satisfactory for use at present, but the situation will, as always, be kept under review. Representations were sought from the Acting Returning Officers of Mole Valley, Surrey Heath and Woking constituencies that fall within the Guildford Borough boundary and no objections have been received regarding the continued use of these polling places at parliamentary elections.
- 3.8 The consultation period commenced on Tuesday 4 October 2022 with the public (via the website), councillors, MPs, election agents, presiding officers at polling stations, parish councils, Guildford Access Group, Acting Returning Officers and lettings managers of polling places. Views were sought on the location of the new polling districts and the polling places within those districts in relation to accessibility by the majority of the electorate and also disabled people. The deadline for receipt of comments was Tuesday 15 November 2022.
- 3.9 Ten representations were received from councillors, parish councils, and the public, details of which are set out in **Appendix 2**.
- 3.10 Most of the representations were in respect of the suitability of proposed polling places, in terms of location and suggestions were made for alternative venues. were received for new changes to polling places and The feasibility of alternative

venues has been evaluated by the Electoral Services Manager and recommendations discussed with local ward councillors and parish councils.

- 3.11 Every effort has been made to try to avoid using schools as polling places where it is necessary to close the school on polling day.
- 3.12 A screening Equality Impact Assessment (EIA) was completed in April 2022. The main concerns were around disability and age. As these aspects have been fully taken into account in the review and the overall adverse impact score was low, it was not considered necessary to conduct a full EIA.
- 3.13 The Returning Officer has the delegated power to use an alternative polling place at any election/referendum should he consider it to be necessary to make a temporary change.

4. Financial Implications

- 4.1 There are no significant financial implications arising from the proposals in this report. Costs associated with the hire of venues for use as polling stations are recovered in full for all elections, except Borough Council elections.

5. Legal Implications

- 5.1 We are legally obliged to have a polling place in each polling district if a suitable place is available. No other legal implications apply to the location of the designated polling places.
- 5.2 Schedule A1 to the Representation of the People Act 1983 prescribes the statutory steps for an authority conducting a polling district review.

6. Human Resource Implications

- 6.1 There are no human resource implications arising from the proposals in this report. Polling station staff (presiding officers and poll clerks) are appointed by the Returning Officer for each election. In considering suitable premises for designation as a polling place, the Returning Officer takes into account a number of factors, which include ensuring that the working conditions for the polling station staff are safe and adequate with appropriate rest facilities.

7. Conclusion

- 7.1 The Council is asked to approve the proposed new polling districts and designated polling places as shown on the maps in **Appendices 3 - 23** and the list of polling places set out in **Appendix 24**.
- 7.2 The Returning Officer, together with the Electoral Services Manager, will continue to review the use of individual polling places and make temporary changes under delegated powers as the need arises at each election.

8 Background Papers

Screening Equality Impact Assessment (EIA) (April 2022)

9 Appendices

Appendix 1: List of existing polling districts and current designated polling places

Appendix 2: Details of the representations received during the consultation and Returning Officer's response

Maps of new wards with proposed new polling districts:

Appendix 3: Ash South Ward

Appendix 4: Ash Vale Ward

Appendix 5: Ash Wharf Ward

Appendix 6: Bellfields & Slyfield Ward

Appendix 7: Burpham Ward

Appendix 8: Castle Ward

Appendix 9: Clandon & Horsley Ward

Appendix 10: Effingham Ward

Appendix 11: Merrow Ward

Appendix 12: Normandy & Pirbright Ward

Appendix 13: Onslow Ward

Appendix 14: Pilgrims Ward

Appendix 15: Send & Lovelace Ward

Appendix 16: Shalford Ward

Appendix 17: St Nicolas Ward

Appendix 18: Stoke Ward

Appendix 19: Stoughton North

Appendix 20: Stoughton South

Appendix 21: Tillingbourne Ward

Appendix 22: Westborough Ward

Appendix 23: Worplesdon Ward

Appendix 24: List of proposed designated polling places for the new polling districts

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Existing Polling Districts and Current Designated Polling Places in the Borough

Polling District	Designated Polling Place
A1 Burpham North	Sutherland Memorial Hall
A2 Burpham South	Burpham Village Hall
B1 Christchurch (North)	Urban Saints building, Stoke Park,
B2 Christchurch (South)	Boxgrove Primary School
C1 St Nicolas (South)	Guildford United Reform Church
C2 St Nicolas (North)	Grace Church, Guildford Park Road
C3 Friary (West)	Salvation Army Hall
C4 Friary (East)	Salvation Army Hall
C5 Friary (North)	The Stirling Centre, St John's Church
D1 Holy Trinity (West)	Guildford Adult Education and Learning Centre
D2 Holy Trinity (East)	The Spike
D3 Holy Trinity (North)	St Joseph's Church Hall
E1 Merrow (North)	Bushy Hill Junior School
E2 Merrow (East)	Merrow C of E Infant School
E3 Merrow (South)	Merrow Village Hall
F1 Onslow (South-East)	Queen Eleanor's C of E Junior School
F2 Onslow (South-West)	Onslow Village Hall
F3 Onslow (North)	Queen Eleanor's C of E Junior School
F4 Onslow (University)	University of Surrey Stag Hill Campus
F5 Onslow (Manor Park)	Manor Park Students Village
G1 Seale and Sands (West)	The Sands Room
G2 Seale and Sands (East)	Seale Village Hall
G3 Puttenham	Marwick Hall
G4 Shackleford	Shackleford Village Hall
G5 Wanborough	The Granary, Wanborough
H1 Compton	Compton Village Hall
H2 Artington	Compton Village Hall
H3 Shalford (Peasmarsh)	Peasmarsh Church Hall
H4 Shalford (Central)	Shalford Infant School
H5 Shalford (Chilworth)	Chilworth Village Hall
I1 Stoke (South-West)	New Hope Church
I2 Stoke (North-West)	Bellfields Youth Centre
I3 Stoke (East)	Stoke & District Horticultural Society Hall
J1 Stoughton (North)	Army Cadet Centre
J2 and J2A Stoughton (West)	Emmanuel Parish Centre
J3 Stoughton (South)	Stoughton Infant School
K1 Westborough (West)	St Clare's Church Hall
K2 Westborough (Central)	Westborough United Reformed Church Hall
K3 Westborough (North)	Emmanuel Parish Centre
L1 Broadacres	St Marys Church Hall
L2 Wood Street	St Albans Church Hall
L3 Fairlands	Fairlands Community Centre
L4 Perry Hill	Worplesdon Memorial Hall
L5 Jacobs Well	1 st Jacobs Well Scout & Guide Group HQ
M1 East Clandon	East Clandon Village Hall

Polling District	Designated Polling Place
M2 West Clandon	West Clandon Village Hall
M3 East Horsley (South)	St Martin's Church Hall
M4 East Horsley (Central)	East Horsley Village Hall
M5 Effingham Junction	St Martin's Community Hall
M6 West Horsley (North)	The Raleigh School
M7 West Horsley (South)	West Horsley Village Hall
N1 Effingham (North)	King George V Hall
N2 Effingham (South)	King George V Hall
O1 Ockham	All Saints Church
O2 Ripley	Former Ripley C of E Primary School
O3 Wisley	Former Ripley C of E Primary School
P1 Send	Lancaster Hall
Q1 St Martha	Chilworth Village Hall
Q2 Albury	Albury Village Hall
Q3 Shere	Shere Village Hall
Q4 Peaslake	Peaslake Village Hall
Q5 Holmbury St Mary	Holmbury St Mary Village Hall
R1 Ash (West)	The Benson Room, Japonica Court
R2 Ash (East)	St Mary's Room, Holy Angels Catholic Church
R3 Tongham	Tongham Community Centre
R4 Ash (Rowan Field)	The Benson Room, Japonica Court
S1 Ash Vale (North)	Holly Lodge Primary School
S2 Ash Vale (South)	St Mary's Church Community Centre
T1 Ash (Shawfields)	Primrose Hall
T2 Ash (Ranges)	Victoria Hall
U1 Normandy	St Mark's Hall
V1 Pirbright	Lord Pirbright Hall

Review of Polling Districts and Polling Places 2022
Representations received during the Consultation and the Returning Officer's Response

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
Cllr Deborah Seabrook	Merrow	<p><u>Use of Merrow CoE Infants School as a polling place</u></p> <p>"It seems a shame to disrupt a school day. Could you consider Merrow Methodist Church instead? I believe it was used in the SCC elections and is not too far from the eastern part of the ward, although it is in the central district. Parking is OK.</p> <p>Another alternative to consider which is still in the eastern district is St John's Church Centre. However, it is a bit more isolated on the southern side of Epsom Road and further to walk for those in the northern part of Merrow Park."</p>	<p>The Electoral Services Manager and Democratic Services and Elections Manager have met with Cllr Seabrook to discuss her representations.</p> <p>Possible alternatives to using Merrow C of E Infant School as a polling place for proposed polling district M1 - Merrow (North), are to use the Merrow Methodist Church or Bushy Hill Junior School, both of which have been used previously as polling stations. The Junior School can also be used as a polling station without the need for a full closure of the school. However, there are parking difficulties and traffic issues associated with the use of Bushy Hill School when it is used as a polling place.</p> <p>The Methodist Church cannot guarantee use of their premises as a polling station in the event that an unscheduled election is called. Using either of these alternatives as a polling place for proposed polling district M1 would mean that the only vehicular route to either of them for electors north of Epsom Road within polling district M1 would be via Park Lane/ Epsom Road/Bushy Hill Drive – considerably longer than the route to Merrow CoE Infant School. It is also worth noting that we have not received any complaints from electors (or the School itself) about the use of the Infant School as a polling place.</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
			<p>The Electoral Services Manager and Democratic Services and Elections Manager have also visited the alternative venue suggested by Cllr Seabrook, St Johns Church Centre, to establish whether it might be a suitable alternative polling place in proposed polling district M1 - Merrow (North). Although the main hall is suitable, we would only be guaranteed the use of the smaller hall as a polling station as the local playgroup would be in the main hall during the day. We have three concerns about the use of this venue as a polling place:</p> <ol style="list-style-type: none"> 1. The security of the children in the playgroup with up to 2,000 electors visiting the polling station 2. Although we do not have to supply parking for electors, the car park is small and will be busy during polling day with other users of the venue. 3. There are two busy roads to cross to access the hall from the majority of the polling district. <p>Cllr Seabrook is content with the proposed designated polling stations within the new Merrow ward.</p> <p>Recommendation: To retain Merrow C of E Infant School as the designated polling place for proposed polling district M1 – Merrow (North).</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
Helen Myers, Clerk to Pirbright Parish Council	Normandy & Pirbright	<p><u>Use of Lord Pirbright's Hall as a polling place</u></p> <p>"The Hall has disabled access, accessible toilets, baby changing facilities and ample car parking"</p>	Noted
Amanda Pick, Clerk to Normandy Parish Council	Normandy & Pirbright	<p><u>Use of St Mark's Church Hall as a polling place</u></p> <p>"The current polling station at St Mark's Church Hall is fine but there are concerns re: parking and access. Going in and out of the car park for the hall can be difficult with the amount of traffic that travels along Guildford Road at speed. The car park is not that big which can lead to cars queuing along the Guildford Road waiting to enter the car park. Only 2 disabled spaces available. There is a nursery displaced for polling.</p> <p>It has good roadside visibility for local residents as a reminder to vote."</p> <p><u>Suggested alternative polling place: Normandy Village Hall</u></p> <p>"This hall has three rooms available; the upstairs room does not have disabled access, the main hall is unnecessarily large for polling but the small hall should be fine. It has access to kitchen with a kettle and a hob/oven plus there is access to communal toilets including an accessible toilet. There is provision of ample parking spaces (including disabled).</p> <p>There is a baby sensory group which often (but not</p>	<p>The Electoral Services Manager and Democratic Services and Elections Manager visited Normandy Village Hall and confirm that it is a suitable venue for a polling place.</p> <p>The committee that runs the Village Hall have agreed to guarantee the use of the hall for all elections provided that this will have no detrimental effect on St Mark's Hall.</p> <p>We have spoken to the booking secretary of St Mark's Hall who has assured us that the pre-school group understand they must vacate the building for elections as it is within their hire agreement. St Marks Church would like to maintain the venue as a polling station, so the recommendation is to remain at St Marks Hall.</p> <p><u>Recommendation: To retain St Mark's Hall as the designated polling place for proposed polling district N&P1 (Normandy).</u></p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
		<p>always) hire the small hall on a Thursday all day and another regular community group in the evenings – both of which would be displaced but they may be able to use alternative rooms within the building.</p> <p>There is slightly less roadside visibility for local residents as a reminder to vote.”</p>	
<p>Suzanne Hoyland, Clerk to Shere Parish Council</p>	<p>Tillingbourne</p>	<p><u>Use of Peaslake Village Hall as a polling place</u></p> <p>“Good venue”</p> <p><u>Use of Shere Village Hall as a polling place</u></p> <p>“Good venue”</p> <p><u>Use of Holmbury St Mary Village Hall as a polling place</u></p> <p>“Good venue”</p> <p>On behalf of one of the parish councillors, the parish clerk has also asked why the polling district name has changed from Peaslake District to South West District under the Tillingbourne ward.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p><u>Recommendation:</u> To retain the current names for the five polling districts within the Tillingbourne ward as follows:</p> <p>T1 - St Martha T2 - Albury T3 - Shere T4 - Peaslake T5 - Holmbury St Mary</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
Cllr Diana Jones	Tillingbourne	<p>“It seems the only change in my ward is of some of the names in Shere parish. Is that so? Could someone remind me of the reasoning for that please?”</p> <p>Also, I see that the St Martha polling station is outside my ward (in Shalford). Presumably there was no alternative,”</p>	<p>Recommendation: To retain the current names for the five polling districts within the Tillingbourne ward as follows:</p> <p>T1 - St Martha T2 - Albury T3 - Shere T4 - Peaslake T5 - Holmbury St Mary</p> <p>Chilworth Village Hall has been used as a polling station for the St Martha polling district since 2013. Prior to 2013, we had used Chilworth C of E Infant School as a polling place and received numerous complaints about its use for this purpose because it involved the full closure of the school on polling day. Since moving the polling place to Chilworth Village Hall (which is outside of the St Martha polling district) we have received no complaints or adverse comments from electors.</p> <p>Recommendation: To retain Chilworth Village Hall as the designated polling place for St Martha polling district (T1).</p>
Cllr Angela Goodwin	Onslow	<p><u>Use of Queen Eleanor's C of E Junior School, Onslow Village Hall, and Stag Hill Campus as polling places</u></p> <p>“I am happy with the three proposed Polling stations for Onslow ward. However, there are roads (mainly those that are moving from Friary &</p>	<p>Grace Church is located on the corner of Guildford Park Road and the existing access road to the Guildford Park Car Park. The venue does not have any off-street parking facility for polling station staff. Currently, the Presiding Officer at this polling station has to park on the yellow lines adjacent to the polling</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation										
		<p>St Nicolas ward to Onslow ward) that will be poorly serviced with the proposed removal of the Grace Church Guildford facility on Guildford Park Road, Guildford. The roads in walking distance to Grace Church include Guildford Park Road, Upperton Road, Denzil Road, Ludlow Road, Rupert Road, Bray Road, Dunsdon Avenue, Agraria Road, Guildford Park Avenue, Ridgemount, Scholars Walk, Lynwood, Sandalwood, Dray Court, part of The Chase, and The Oval residents etc. could also be added to this polling station too.</p> <p>Voters would be more encouraged to vote in person on foot if this option was reinstated and carefully planning; this would be easier for residents and more environmentally friendly for our community. The upcoming Guildford Park Road car park development – if approved as a planning application – could also bring in an extra 200+ homes to the nearby area”.</p>	<p>station to unload their ballot box, and other election sundries and then they park their car in the Guildford Park Car Park for the day. It is expected that the development to which Cllrs Angela and David Goodwin refer will lead to the permanent closure of the Guildford Park Car Park in 2023-24, and therefore nowhere for the polling station staff to park.</p> <p>There is limited waiting parking on-street in the vicinity, which is only available on a first come first served basis. By the time the presiding officer (and poll clerks) arrive at the polling station on the morning of polling day (6.15am), it is extremely unlikely that there would be any vacant on-street parking spaces.</p> <p>We have also reviewed the number of electors within the southern part of Onslow ward to be served by the Onslow Village Hall polling place and have divided it into two polling districts: Onslow (East) – O2 and Onslow (West) – O3.</p> <p><u>Recommendation:</u> To configure the proposed polling districts and polling places for the Onslow ward as follows:</p> <table data-bbox="1370 1141 1995 1300"> <thead> <tr> <th><u>Polling District</u></th> <th><u>Polling Place</u></th> </tr> </thead> <tbody> <tr> <td>O1 - Onslow (Central):</td> <td>Queen Eleanor's School</td> </tr> <tr> <td>O2 - Onslow (East):</td> <td>Onslow Village Hall</td> </tr> <tr> <td>O3 - Onslow (West):</td> <td>Onslow Village Hall</td> </tr> <tr> <td>O4 - Stag Hill:</td> <td>Stag Hill Campus</td> </tr> </tbody> </table>	<u>Polling District</u>	<u>Polling Place</u>	O1 - Onslow (Central):	Queen Eleanor's School	O2 - Onslow (East):	Onslow Village Hall	O3 - Onslow (West):	Onslow Village Hall	O4 - Stag Hill:	Stag Hill Campus
<u>Polling District</u>	<u>Polling Place</u>												
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O2 - Onslow (East):	Onslow Village Hall												
O3 - Onslow (West):	Onslow Village Hall												
O4 - Stag Hill:	Stag Hill Campus												

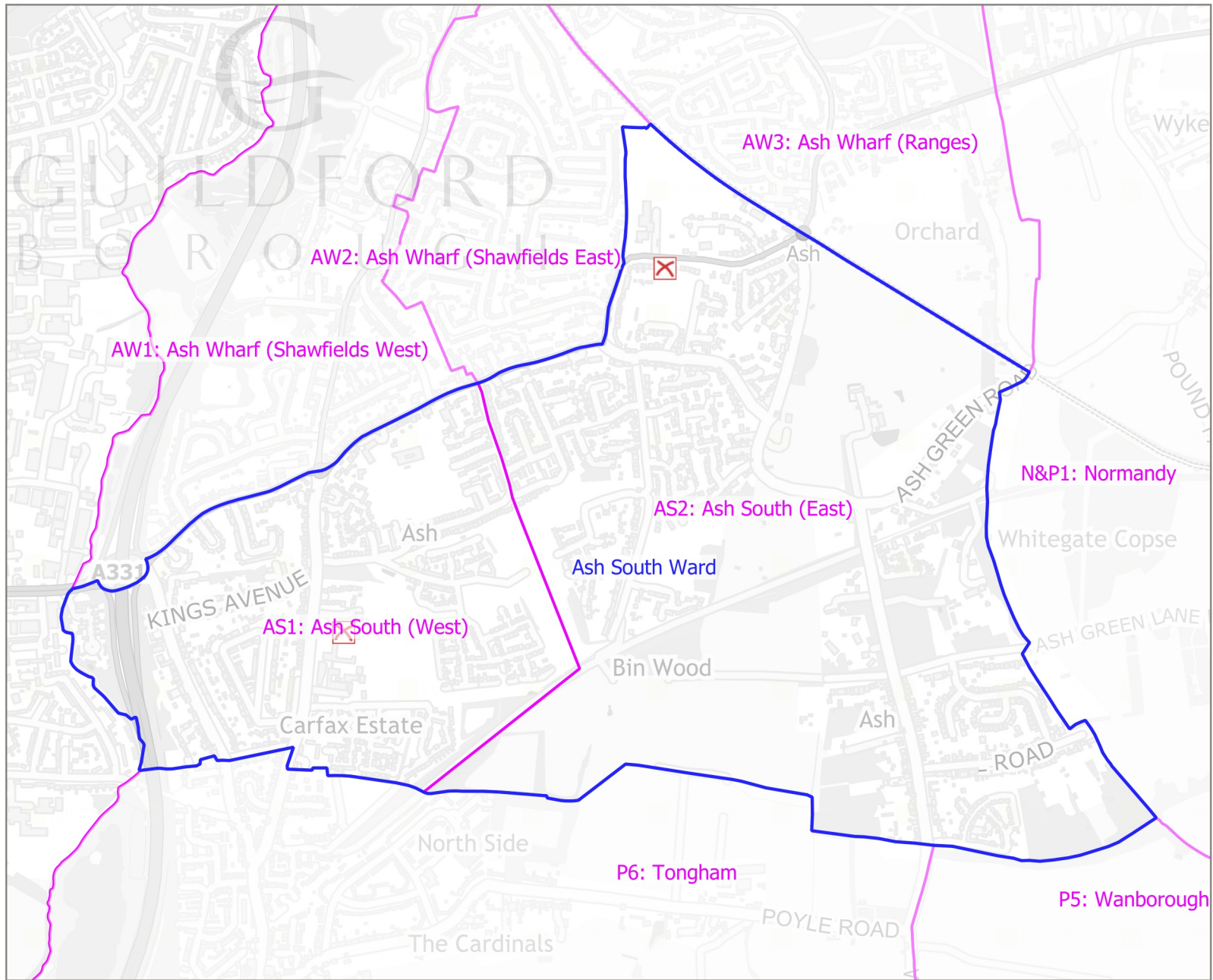
Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
Cllr David Goodwin	Onslow	<p><u>Use of Queen Eleanor's C of E Junior School, Onslow Village Hall, and Stag Hill Campus as polling places</u></p> <p>"I am happy with the three proposed Polling stations for Onslow ward. However, there are roads (mainly those that are moving from Friary & St Nicolas ward to Onslow ward) that will be poorly serviced with the proposed removal of the Grace Church Guildford facility on Guildford Park Road, Guildford. The roads in walking distance to Grace Church include Guildford Park Road, Upperton Road, Denzil Road, Ludlow Road, Rupert Road, Bray Road, Dunsdon Avenue, Agraria Road, Guildford Park Avenue, Ridgemount, Scholars Walk, Lynwood, Sandalwood, Dray Court, part of The Chase, and The Oval residents etc. could also be added to this polling station too.</p> <p>Voters would be more encouraged to vote in person on foot if this option was reinstated and carefully planning; this would be easier for residents and more environmentally friendly for our community. The upcoming Guildford Park Road car park development – if approved as a planning application – could also bring in an extra 200+ homes to the nearby area".</p>	<p>Grace Church is located on the corner of Guildford Park Road and the existing access road to the Guildford Park Car Park. The venue does not have any off-street parking facility for polling station staff. Currently, the Presiding Officer at this polling station has to park on the yellow lines adjacent to the polling station to unload their ballot box, and other election sundries and then they park their car in the Guildford Park Car Park for the day. It is expected that the development to which Cllrs Angela and David Goodwin refer will lead to the permanent closure of the Guildford Park Car Park in 2023-24, and therefore nowhere for the polling station staff to park.</p> <p>There is limited waiting parking on-street in the vicinity, which is only available on a first come first served basis. By the time the presiding officer (and poll clerks) arrive at the polling station on the morning of polling day (6.15am), it is extremely unlikely that there would be any vacant on-street parking spaces.</p> <p>We have also reviewed the number of electors within the southern part of Onslow ward to be served by the Onslow Village Hall polling place and have divided it into two polling districts: Onslow (East) – O2 and Onslow (West) – O3.</p> <p><u>Recommendation:</u> To configure the proposed polling districts and polling places for the Onslow ward as follows:</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
			<p>Polling District Polling Place</p> <p>O1 - Onslow (Central): Queen Eleanor's School</p> <p>O2 - Onslow (East): Onslow Village Hall</p> <p>O3 - Onslow (West): Onslow Village Hall</p> <p>O4 - Stag Hill: Stag Hill Campus</p>
Alexander Fiuza (resident)	Castle	<p><u>Use of The Spike as a polling place for proposed polling district C3 (Castle East)</u></p> <p>“The proposed C2 (Castle South-East) polling district which I will be in makes geographic sense and voting at The Spike is both consistent for many residents (those who were in D2 in Holy Trinity) and convenient for all residents. I am concerned though about the use of The Spike for C3 (Castle East) polling district as well – from, for instance, Elgin Gardens, The Spike is a 30-minute walk, which may put off voters. I understand there are not easy alternatives, but I would urge consideration of one of the following:</p> <ol style="list-style-type: none"> 1. Trying to make a deal with Tormead School or the branch of the RGS in C3 to use part of them as a polling station – these are both relatively central in C3 and halve or more the journey for most electors; or 2. Alternatively, if C3 was extended to include Waterden Road, it could make sense for Christ Church Guildford on Waterden Road to act as a polling station – taking the Elgin Gardens example, it would be only 20 minutes rather than 30 to walk to.” 	<p>Although both Tormead School and the Royal Grammar School have been approached to enquire as to their availability, no formal response has been received. However, it is worth noting that both schools are independent and not state funded, and therefore the Returning Officer cannot require them to provide a room/hall to be used as a polling station.</p> <p>The Electoral Services Manager and Democratic Services and Elections Manager have visited Christ Church in Waterden Road and are of the view that it would be a suitable venue as a polling place. They have also received assurance that the venue could be made available at short notice, for example should a snap General Election be called.</p> <p>The boundary between proposed polling district C3 (referred to as ‘Castle East’ in the consultation but is now recommended to be renamed Castle North) and proposed polling district C1 (Castle West) has been extended to the junction with London Road/High Street/Epsom Road, so that Christ Church is located wholly within polling district C3.</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
			<p><u>Recommendation:</u></p> <p>(1) To change the name of proposed polling district C3 – Castle East to ‘C3 – Castle North’.</p> <p>(2) To change the designated polling place for polling district C3 to Christ Church, 23 Waterden Road, Guildford GU1 2AZ</p>
The Acting Returning Officer for Mole Valley Parliamentary Constituency	Send and Lovelace	<p><u>Use of Ripley Village Hall as a polling place for proposed polling districts S&L2 (Ripley) and S&L3 (Wisley)</u></p> <p>The Acting Returning Officer for Mole Valley is content with the proposal to use Ripley Village Hall in place of the previous polling station located at RHS Wisley provided the new location is convenient for the electors within the polling district. The ARO notes that the Village Hall is undergoing extensive renovation and the proposed venue will provide improved parking facilities for electors and is located on the main road in Ripley.</p>	Noted
Cllr George Potter	Burpham	<p>“I oppose the polling district boundaries in Burpham ward and have reservations about the locations of the polling stations. Sutherland Memorial Hall’s entrance faces north west, and the car park serving it can only be accessed from Clay Lane. The entrance to Burpham Village Hall faces south east and can only be accessed from Burpham Lane. By drawing the boundary between the polling districts down London Road, the result is that residents of Weylea</p>	<p>The Electoral Services Manager and Democratic Services and Elections Manager have met with Cllr Potter to discuss his representations.</p> <p>It is unfortunate that the two venues most suitable as polling places in the ward are in such close proximity.</p> <p>The Electoral Services Manager and</p>

Respondent	Borough Ward	Representation made	Returning Officer's Response to Representation
		<p>Farm, Abbotswood, the Marlins Drive area and the houses on Burpham Lane will all be forced to travel past the Burpham Village Hall polling station to access their polling station located on the opposite side of the park to where they live. Similarly, residents of Merrow Lane, Great Oaks Park, Old London Road, Winterhill Way and Orchard Road will be obliged to travel to the opposite side of the park to where they live in order to cast their ballots.</p> <p>It should also be noted that there will be a complete one-way northbound closure of London Road by SCC during next year's elections, which will further make it incredibly difficult for many voters to access the polling stations.</p> <p>If the polling stations are to remain as proposed then the boundary between the polling districts should instead run north west to south east along Clay Lane and New Inn Lane (replicating the existing division of Burpham, with Abbotswood, Ganghill and Boxgrove Avenue residents allocated to the southern polling district). Alternatively, consideration should be given to establishing a polling station located at George Abbot school in order to better cater to the residents transferring into Burpham. This could potentially be done by allocating voters in the north of the ward to either Burpham Village Hall or Sutherland Memorial Hall and allocating voters in the south of the ward to a George Abbots school polling station."</p>	<p>Democratic Services and Elections Manager have visited the alternative venue suggested by Cllr Potter, George Abbot Secondary School to establish whether it might be a suitable venue for a polling place. Whilst the school has three large halls that would be suitable for use as a polling place, it was clear that due to their location, any such use would necessitate the full closure of the school. A closure during the examination period would have a significant impact on the school and the pupils affected, particularly in respect of an unscheduled election with very limited notice (e.g. Parliamentary election). Given that there are suitable alternative venues for polling places in the ward, it is felt that requiring the use of the school for polling could not be justified in the circumstances.</p> <p>Following discussions with Cllr Potter, the boundary between the two polling districts in the Burpham ward has been re-drawn, as shown on the relevant map in Appendix 3, to create a new Burpham – North polling district served by Sutherland Memorial Hall as its designated polling place and a Burpham - South polling district served by Burpham Village Hall as its designated polling place.</p> <p>Recommendation: To retain Sutherland Memorial Hall and Burpham Village Hall as designated polling places respectively for Burpham - North and Burpham - South polling districts.</p>

Ward and Polling District Boundaries - Ash South Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- Ash Manor School
- Holy Angels Catholic Church

Publication Date: 2022-11-20



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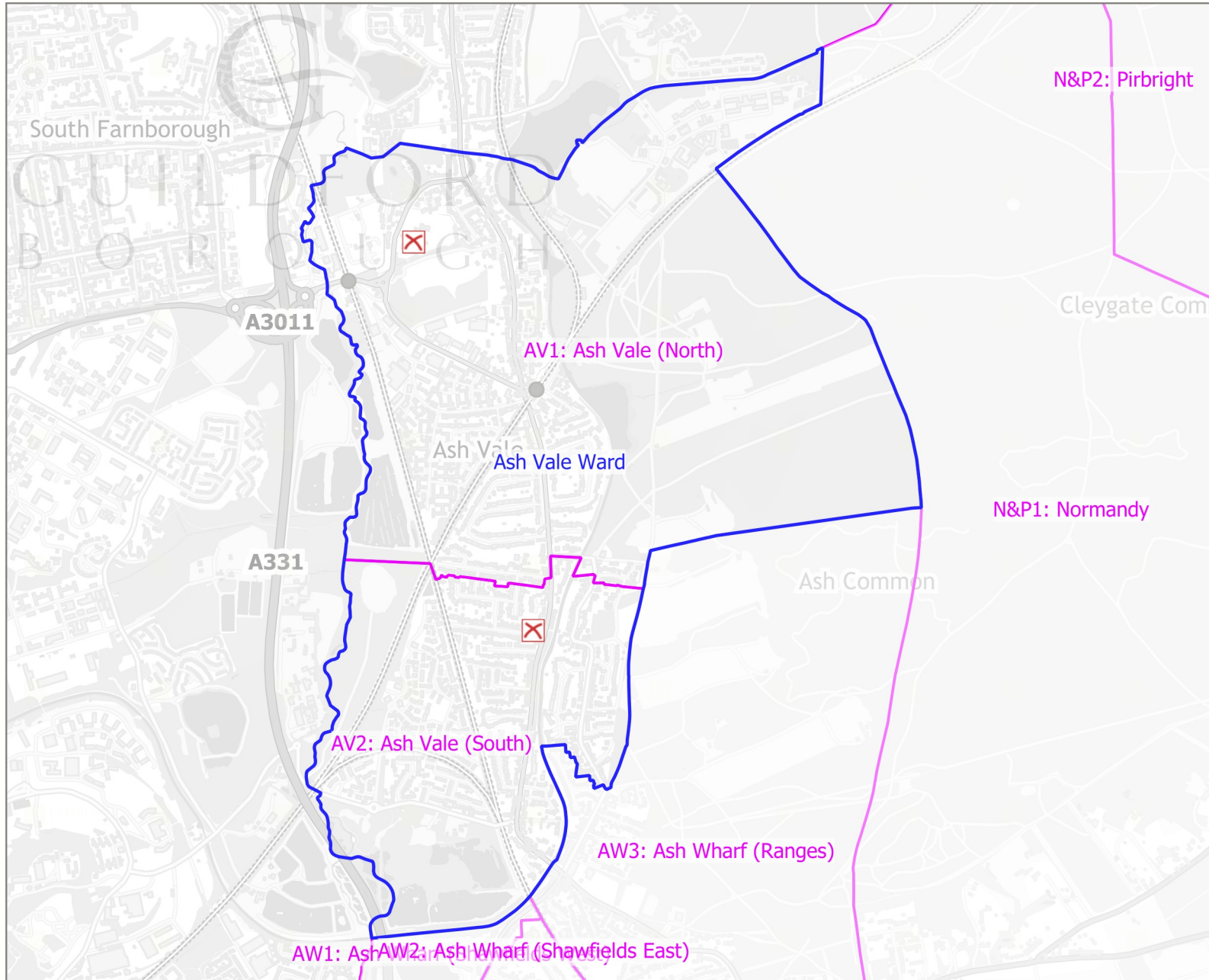
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Ward and Polling District Boundaries - Ash Vale Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- Holly Lodge Primary School
- St Mary's Community Centre

Publication Date: 2022-11-20



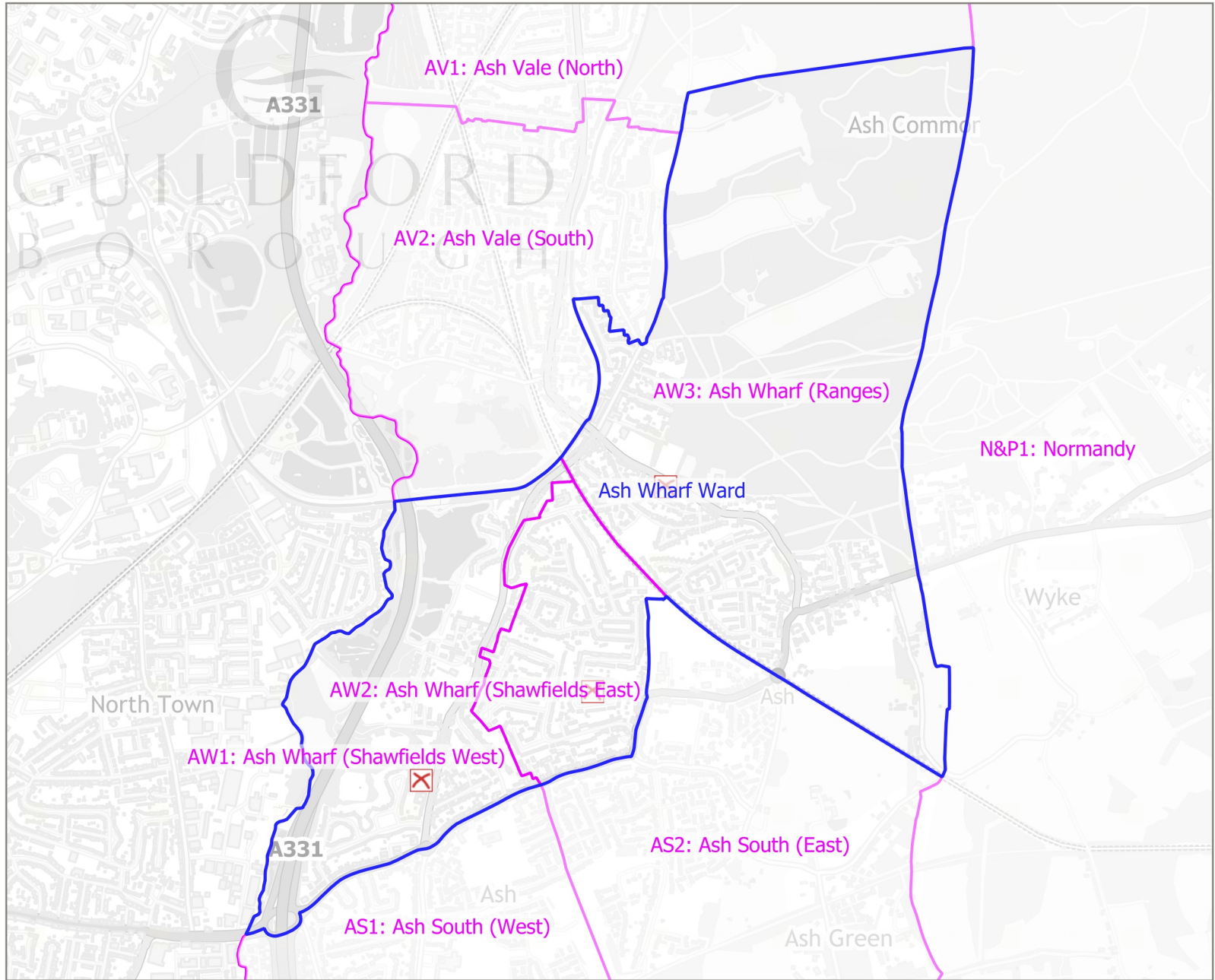
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Ward and Polling District Boundaries - Ash Wharf Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

Japanica Court

Primrose Hall

Victoria Hall

Publication Date: 2022-11-20



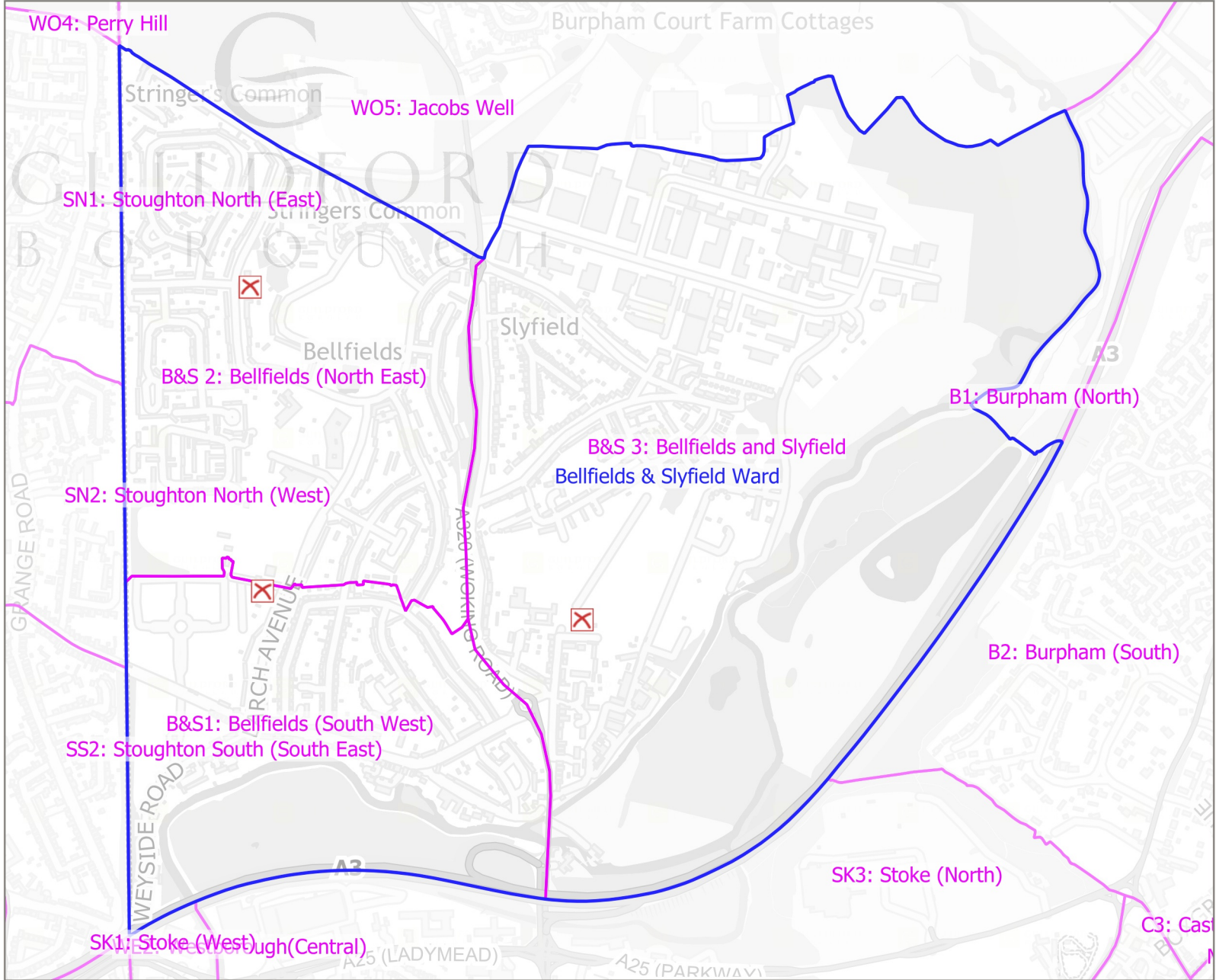
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Ward and Polling District Boundaries - Bellfields & Slyfield Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- New Hope Church
- Bellfields Youth Centre
- Stoke & District Horticultural Club

Publication Date: 2022-11-20



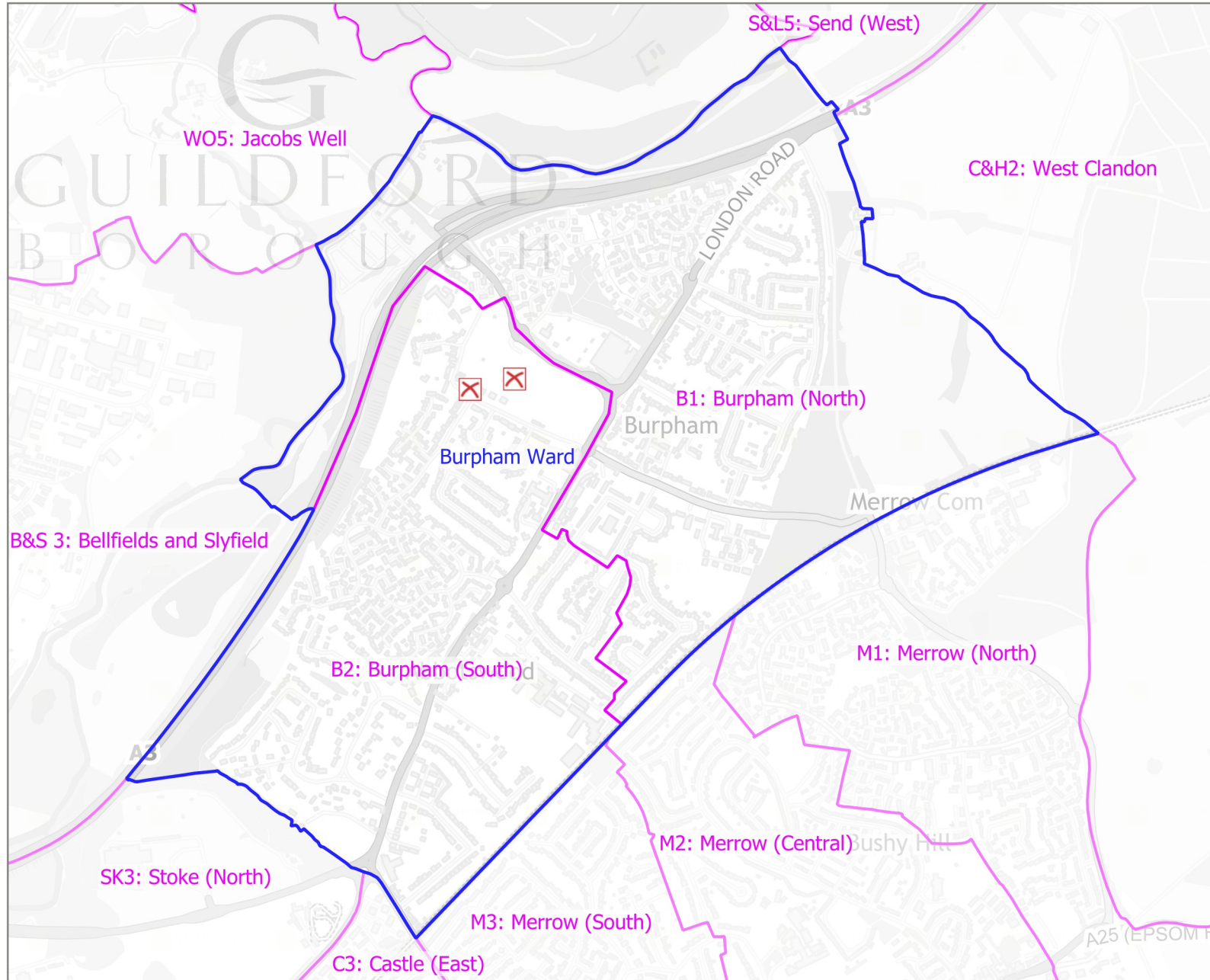
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Ward and Polling District Boundaries - Burpham Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

Sutherland Memorial Hall

Burpham Village Hall

Publication Date: 2022-11-20



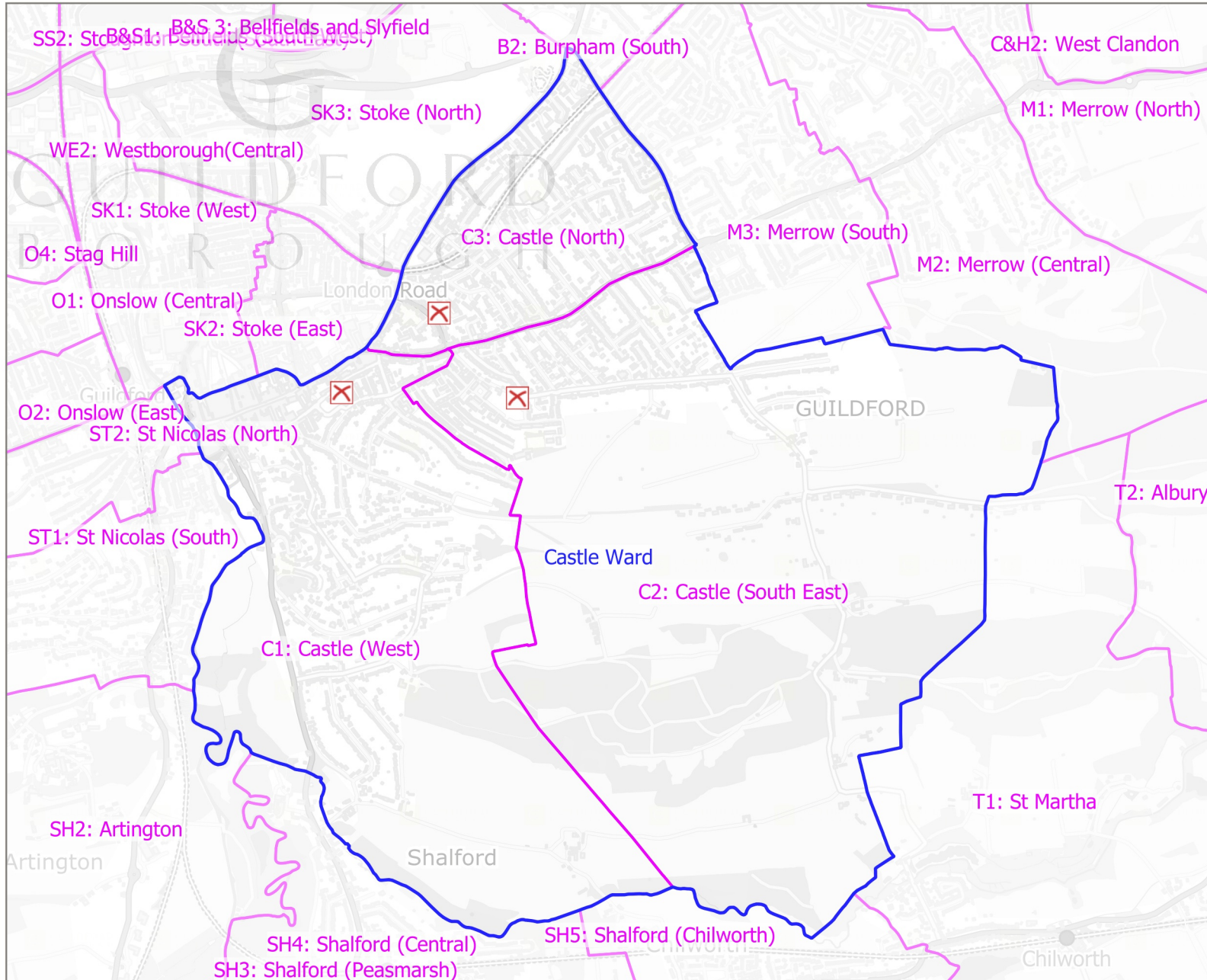
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Ward and Polling District Boundaries - Castle Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- Christ Church
- Guildford Adult Learning Centre
- The Spike

Publication Date: 2022-11-20



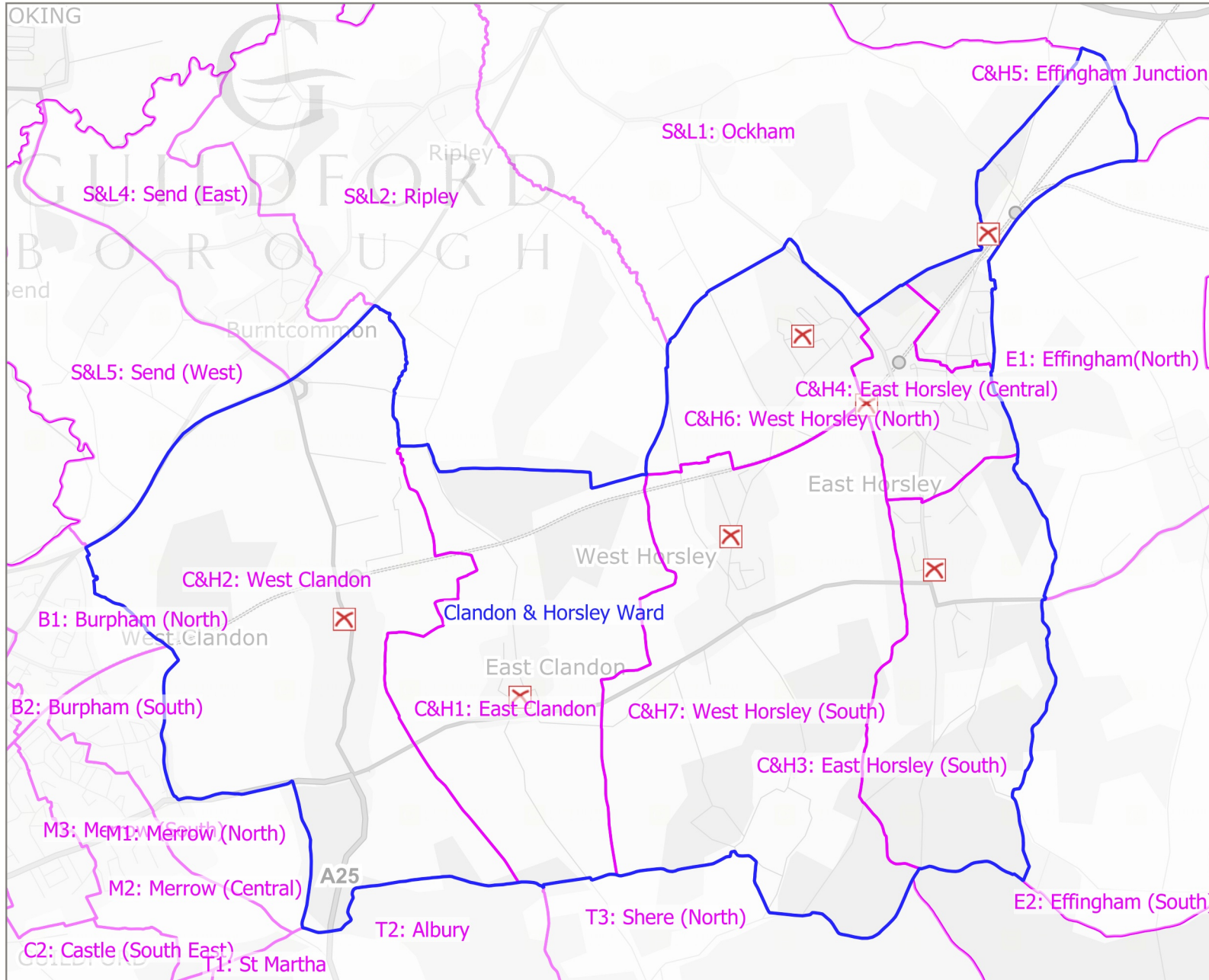
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Ward and Polling District Boundaries - Clandon & Horsley Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- East Clandon Village Hall
- West Clandon Village Hall
- St Martins Church Hall
- East Horsley Village Hall
- St Martin's Community Hall
- Raleigh School
- West Horsley Village Hall

Publication Date: 2022-11-20



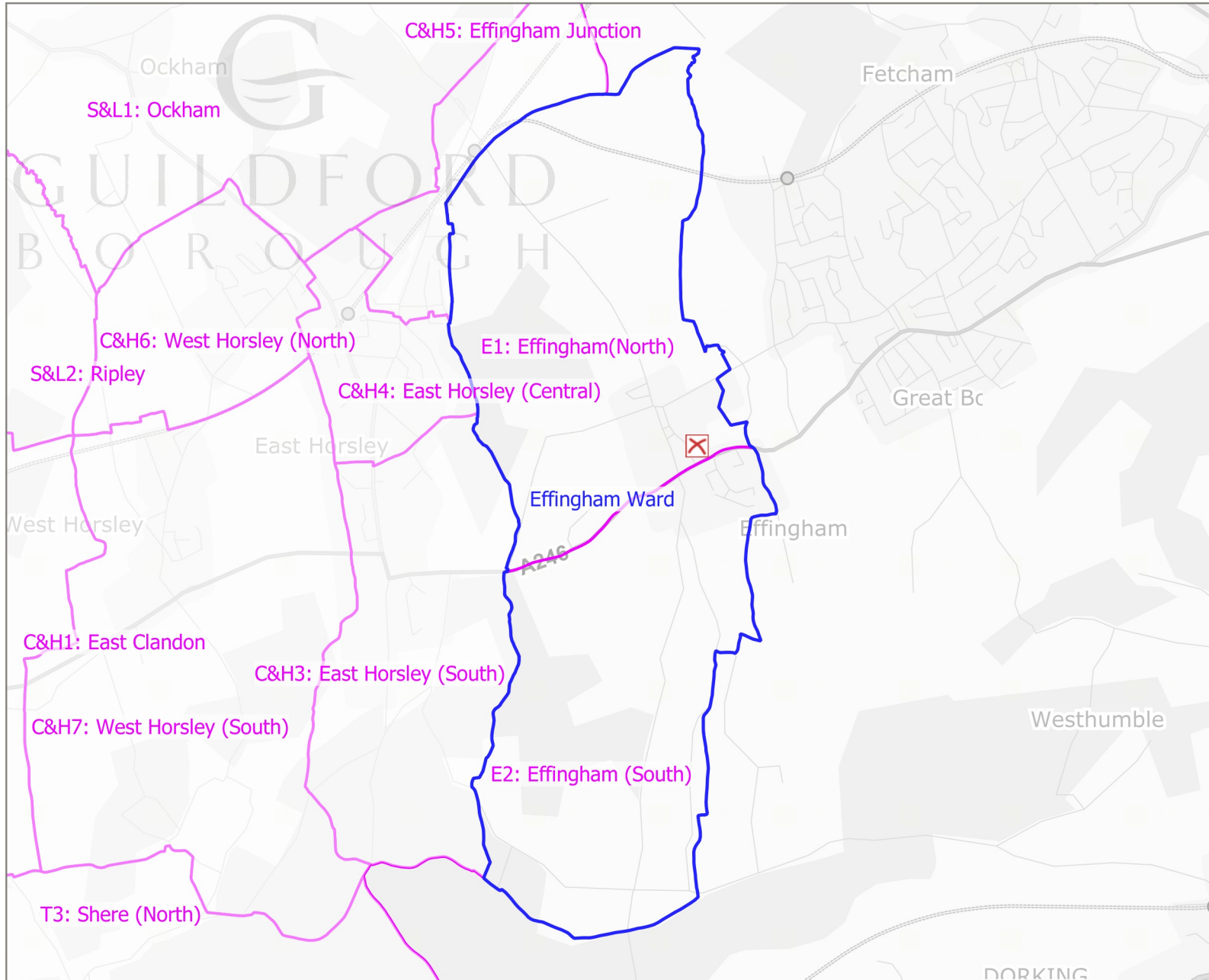
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Ward and Polling District Boundaries - Effingham Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

King George V Hall

King George V Hall

Publication Date: 2022-11-24



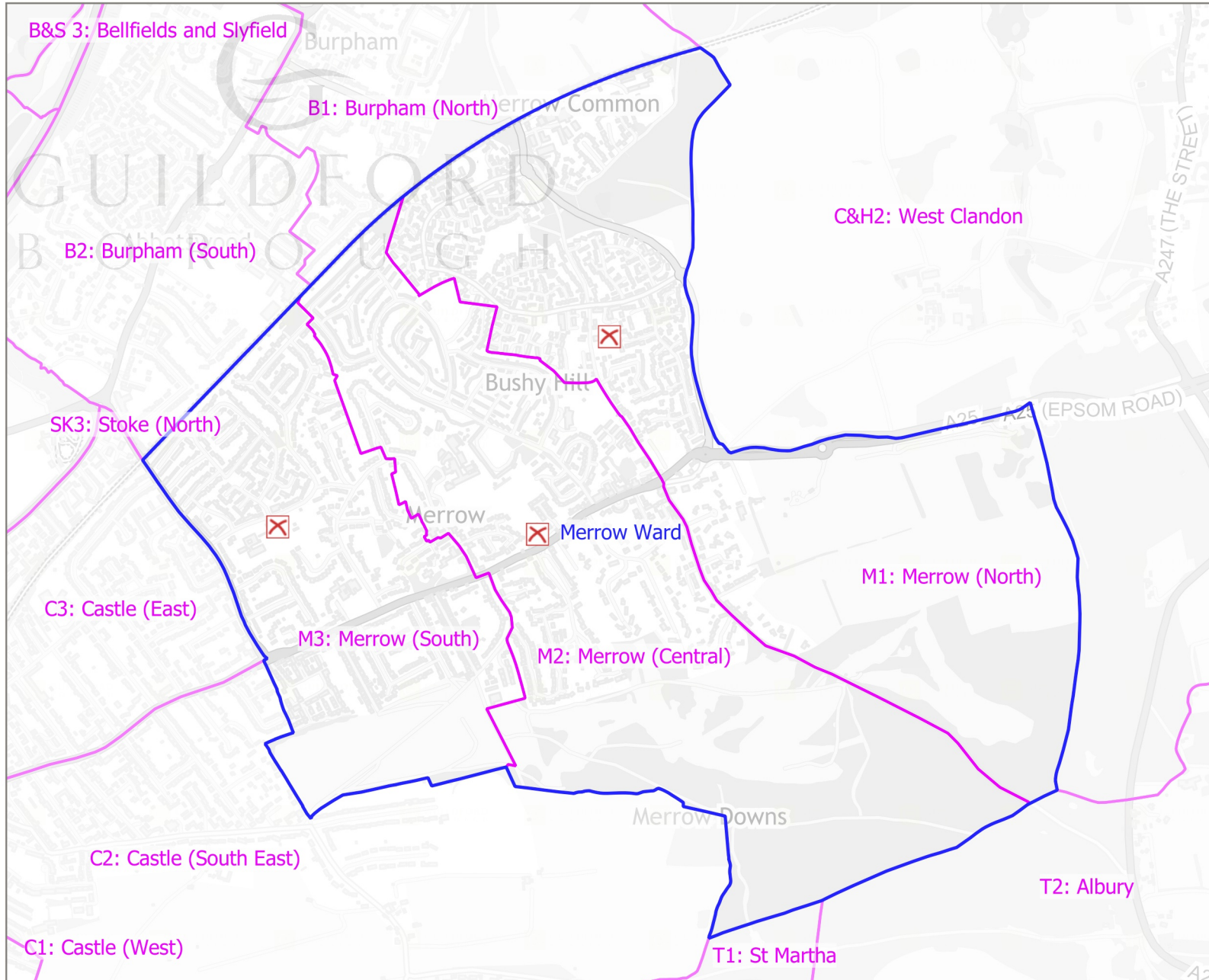
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Ward and Polling District Boundaries - Merrow Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- Merrow C of E Infant School
- Merrow Village Hall
- Boxgrove Primary School

Publication Date: 2022-11-29



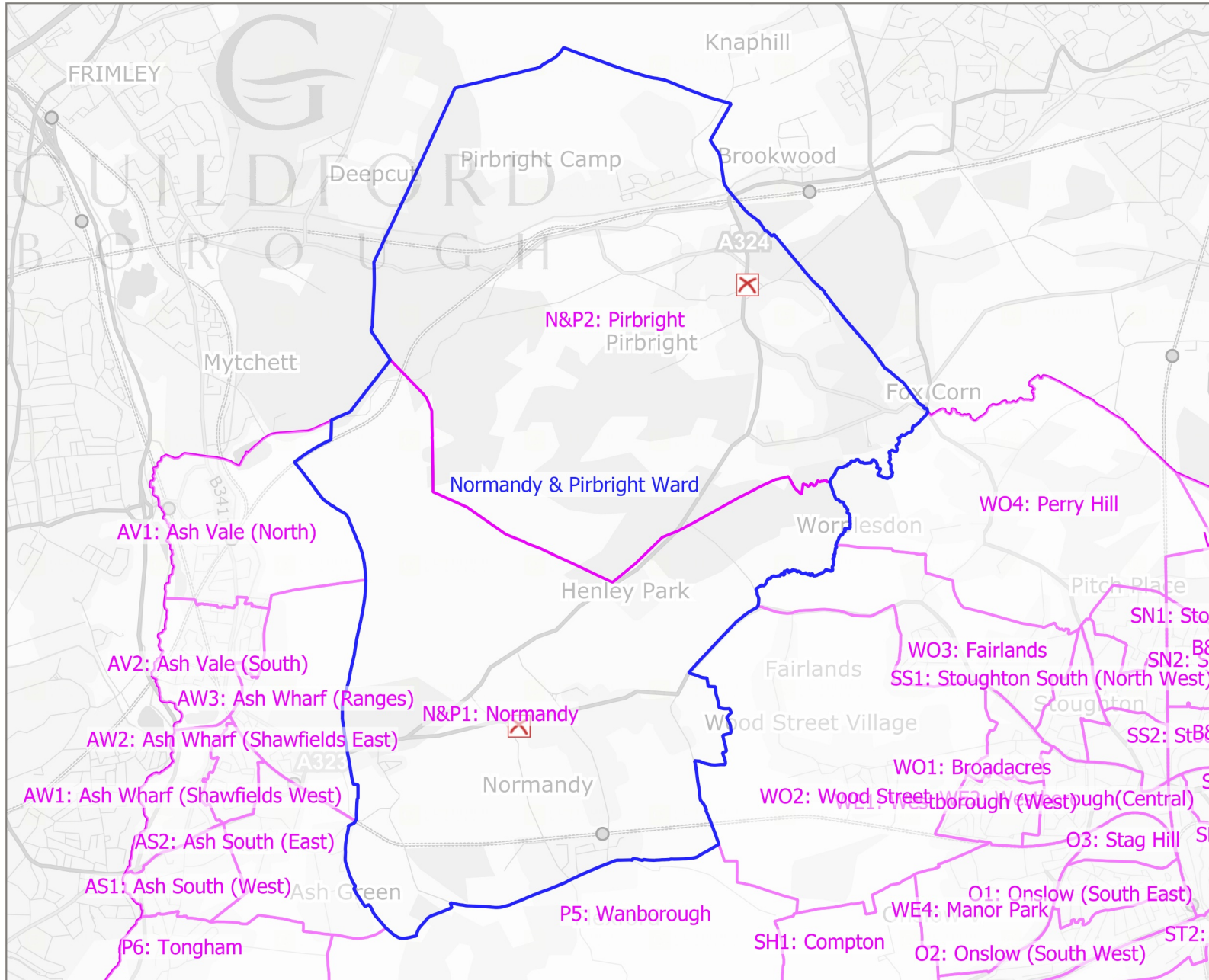
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Ward and Polling District Boundaries - Normandy & Pirbright Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

St Marks Hall

Pirbright Village Hall

Publication Date: 2022-11-20



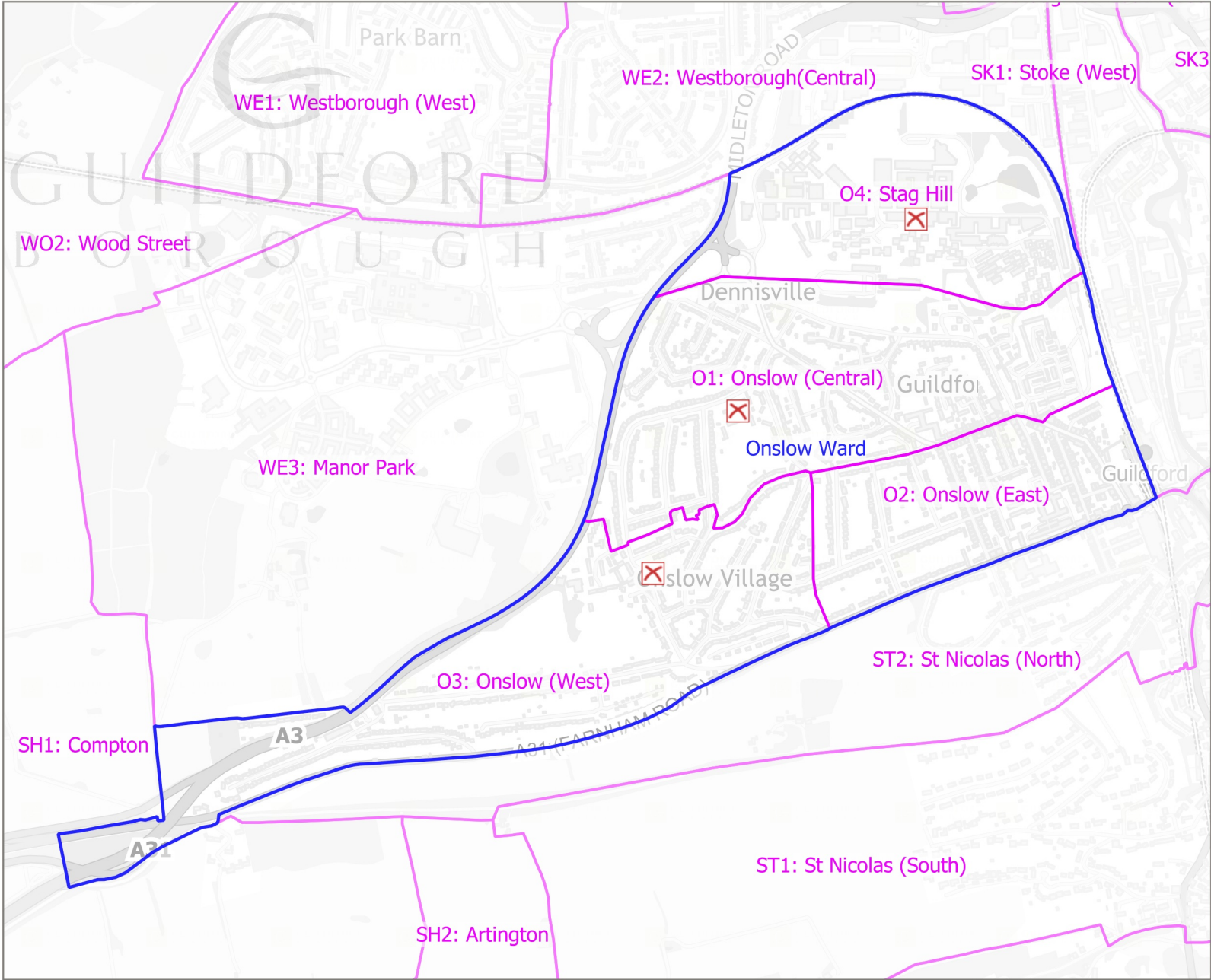
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Ward and Polling District Boundaries - Onslow Ward



Page 129

Legend

-  Ward Boundary
-  Polling District
-  Polling Station

Polling Station List

- Onslow Village Hall
- Onslow Village Hall
- Queen Eleanor's C of E Junior School
- Stag Hill Campus, University of Surrey

Publication Date: 2022-11-20



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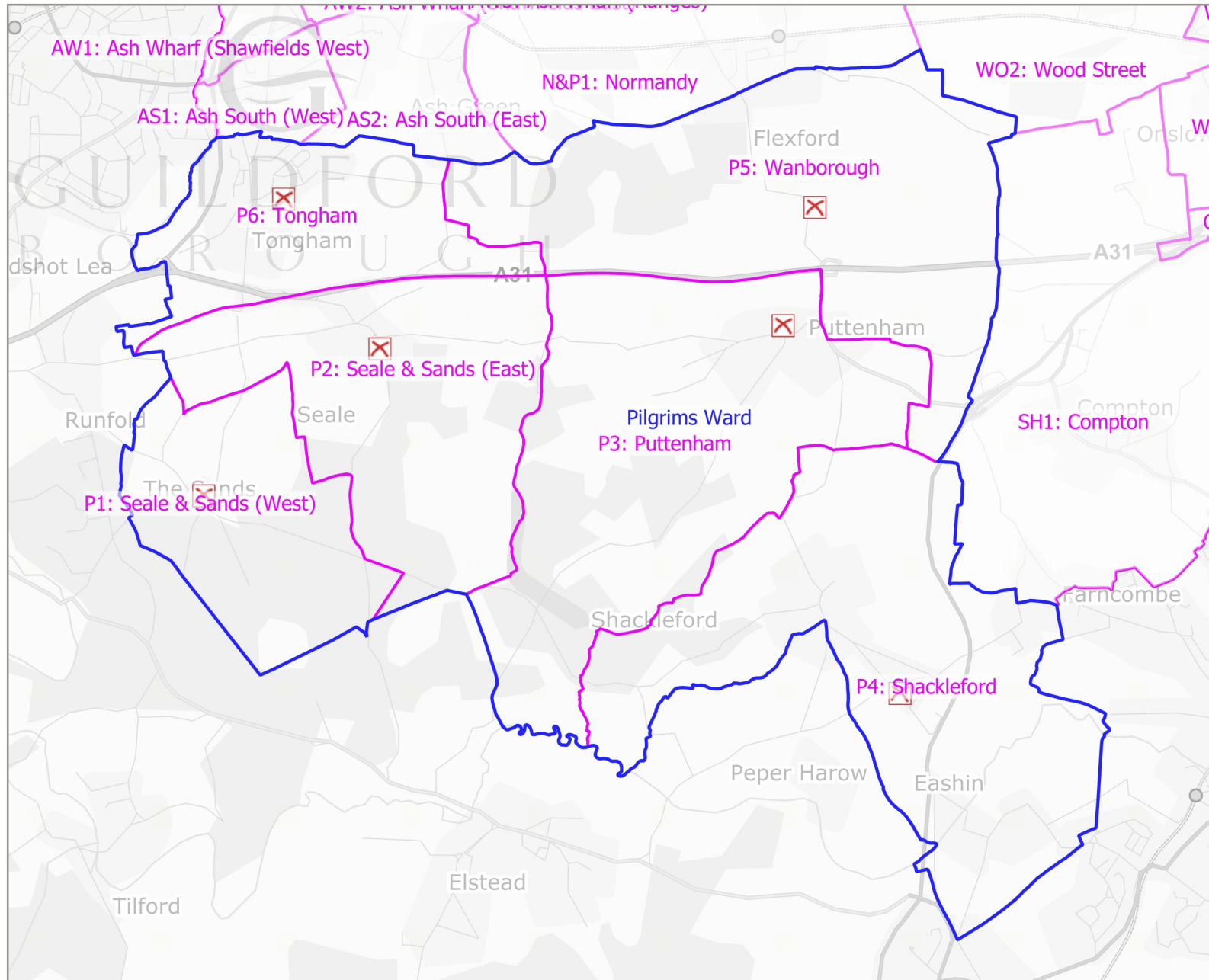
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Agenda item number: 10
Appendix 13

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Ward and Polling District Boundaries - Pilgrims Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

The Sands Room
Seale Village Hall
The Marwick Hall
Shackleford Village Hall
The Granary
Tongham Community Centre

Publication Date: 2022-11-24



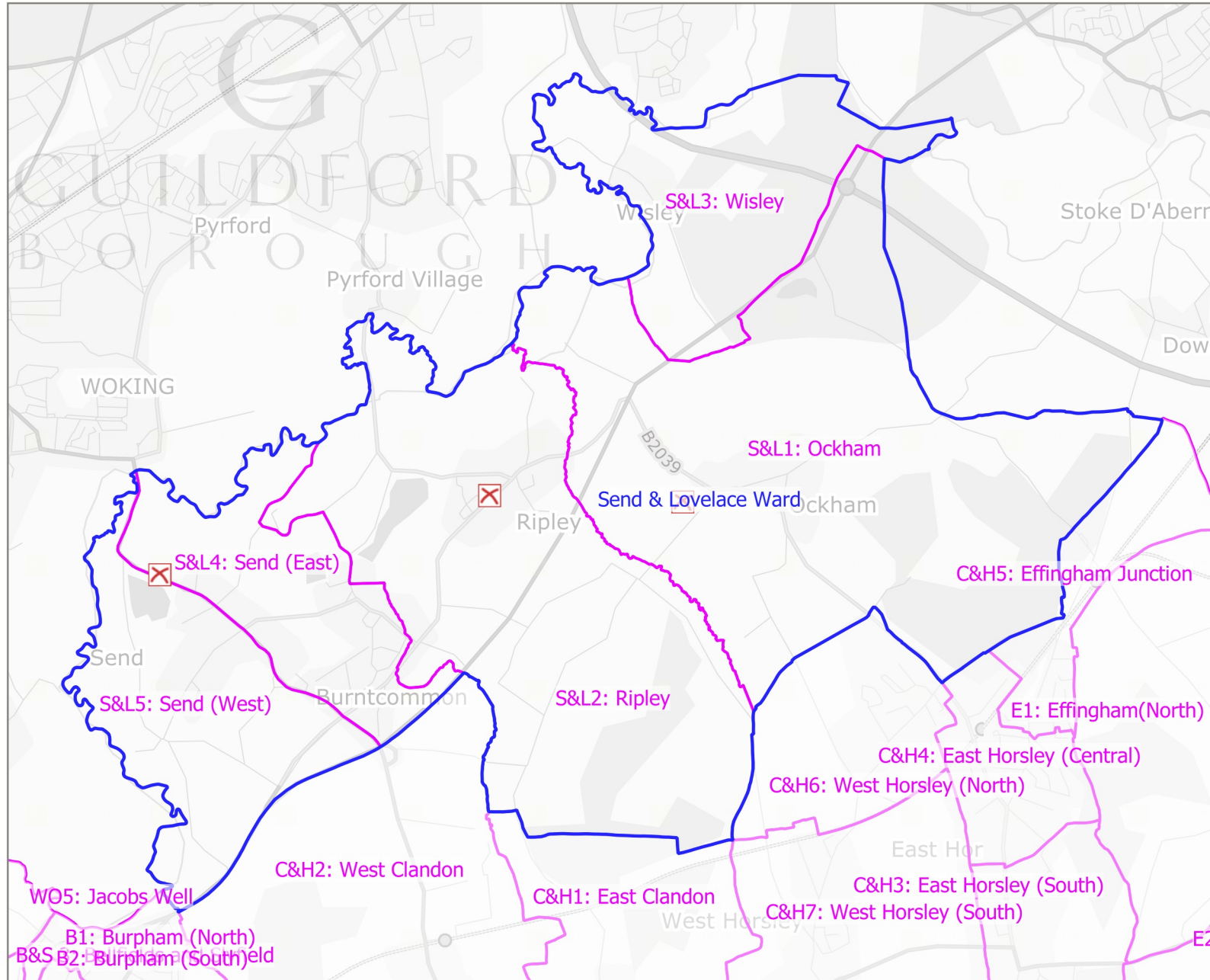
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Ward and Polling District Boundaries - Send & Lovelace Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- Ripley Village Hall
- Ripley Village Hall
- All Saints Church
- Lancaster Hall
- Lancaster Hall

Publication Date: 2022-11-24



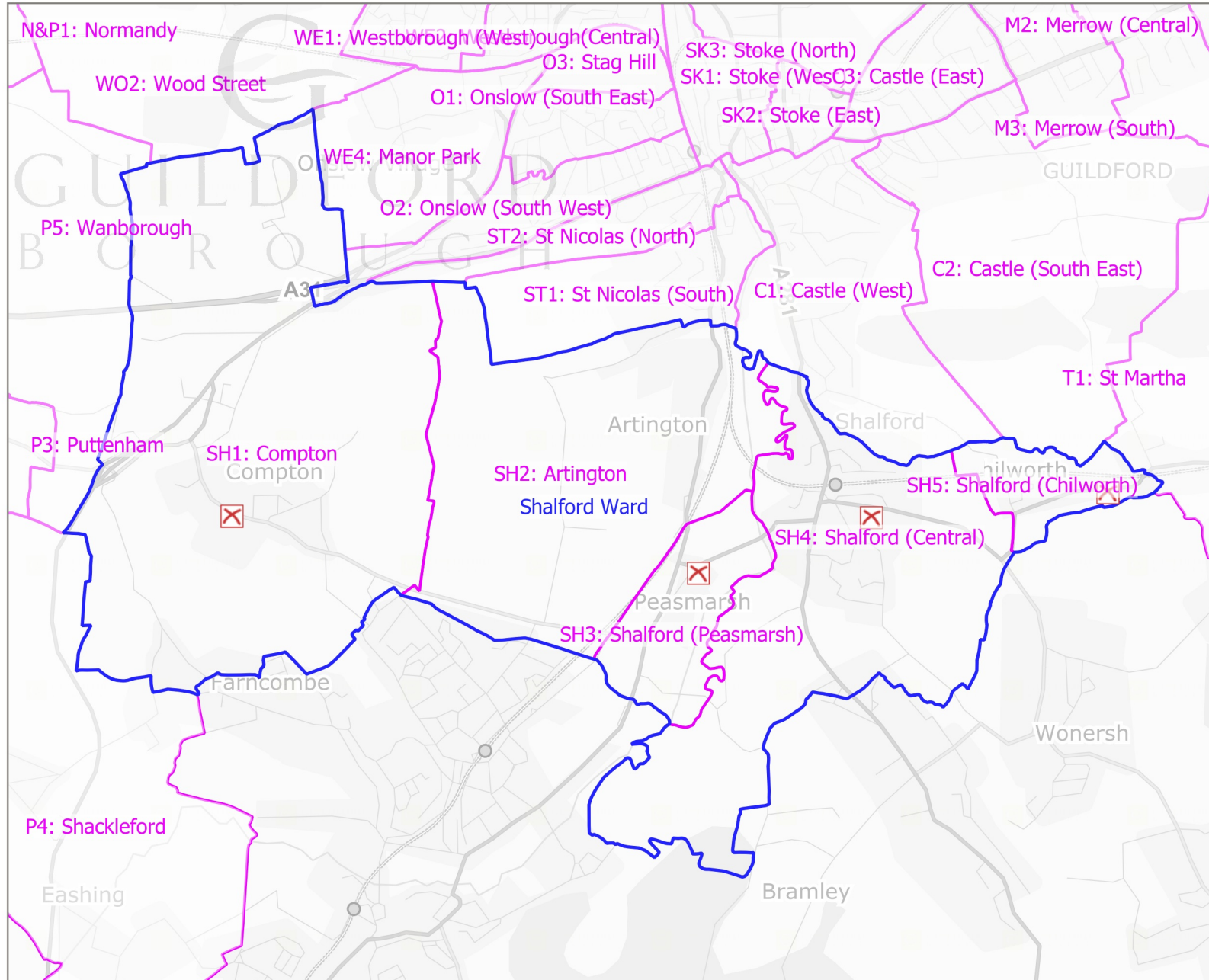
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Ward and Polling District Boundaries - Shalford Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

Compton Village Hall
Compton Village Hall
Peasmarsh Church Hall
Shalford Village Hall
Chilworth Village Hall
Chilworth Village Hall

Publication Date: 2022-11-24



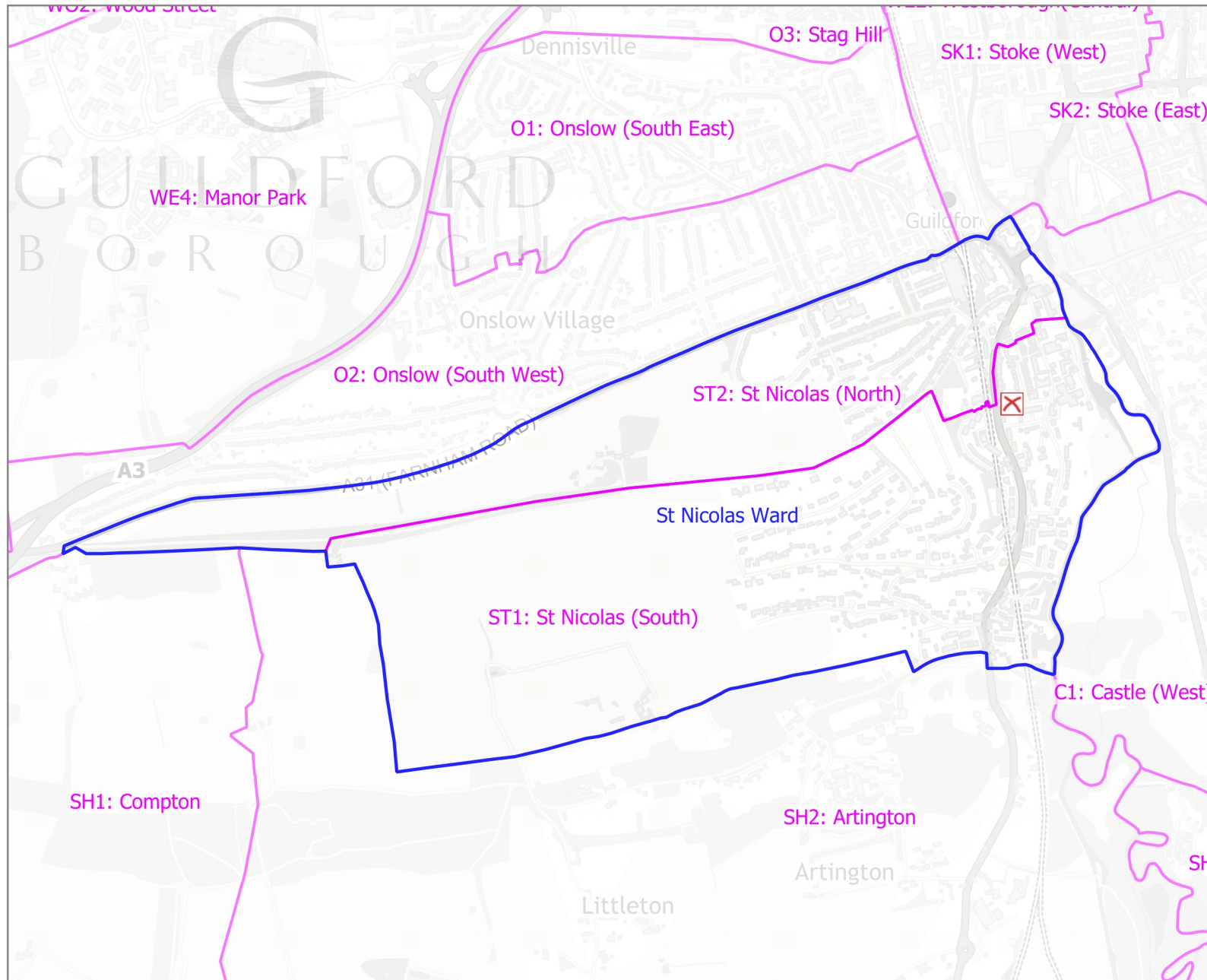
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Ward and Polling District Boundaries - St Nicolas Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

Guildford United Reformed Church

Guildford United Reformed Church

Publication Date: 2022-11-20



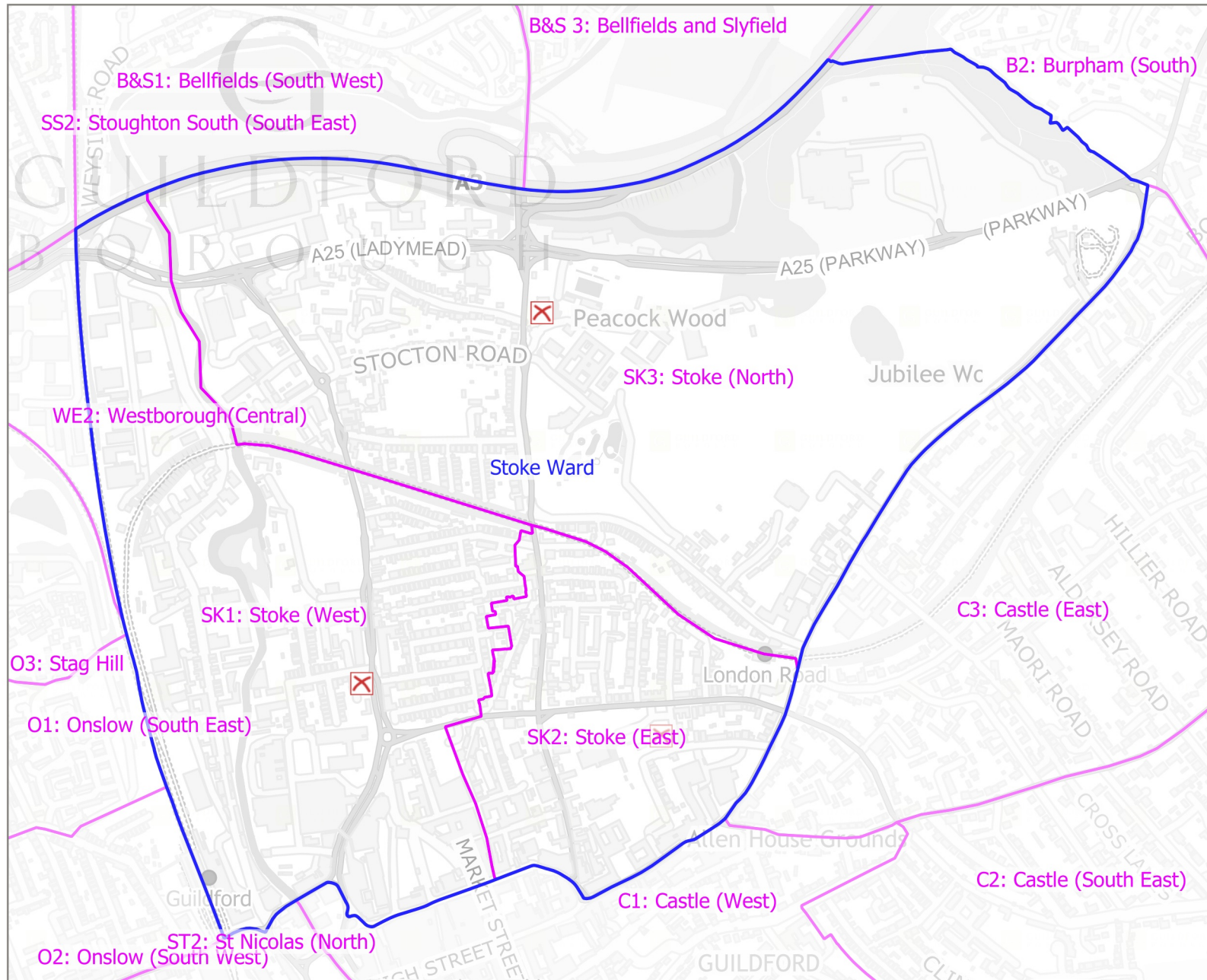
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Ward and Polling District Boundaries - Stoke Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

Salvation Army Hall,
Woodbridge Road

St Joseph's Church Hall

The Stirling Centre, Stoke
Church

Publication Date: 2022-11-24



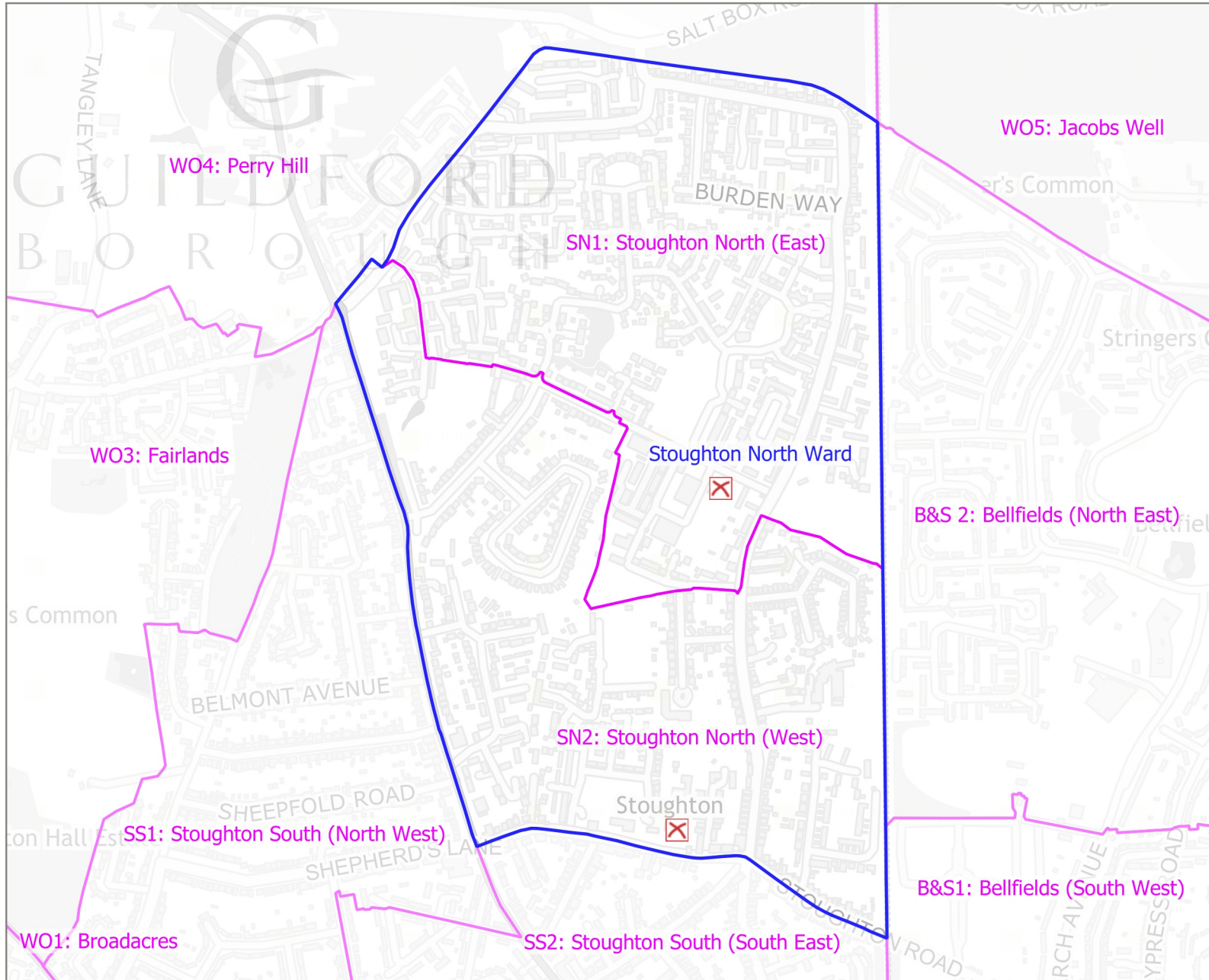
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Ward and Polling District Boundaries - Stoughton North Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- ACF Premises Railton Road
- Stoughton Infant School

Publication Date: 2022-11-29



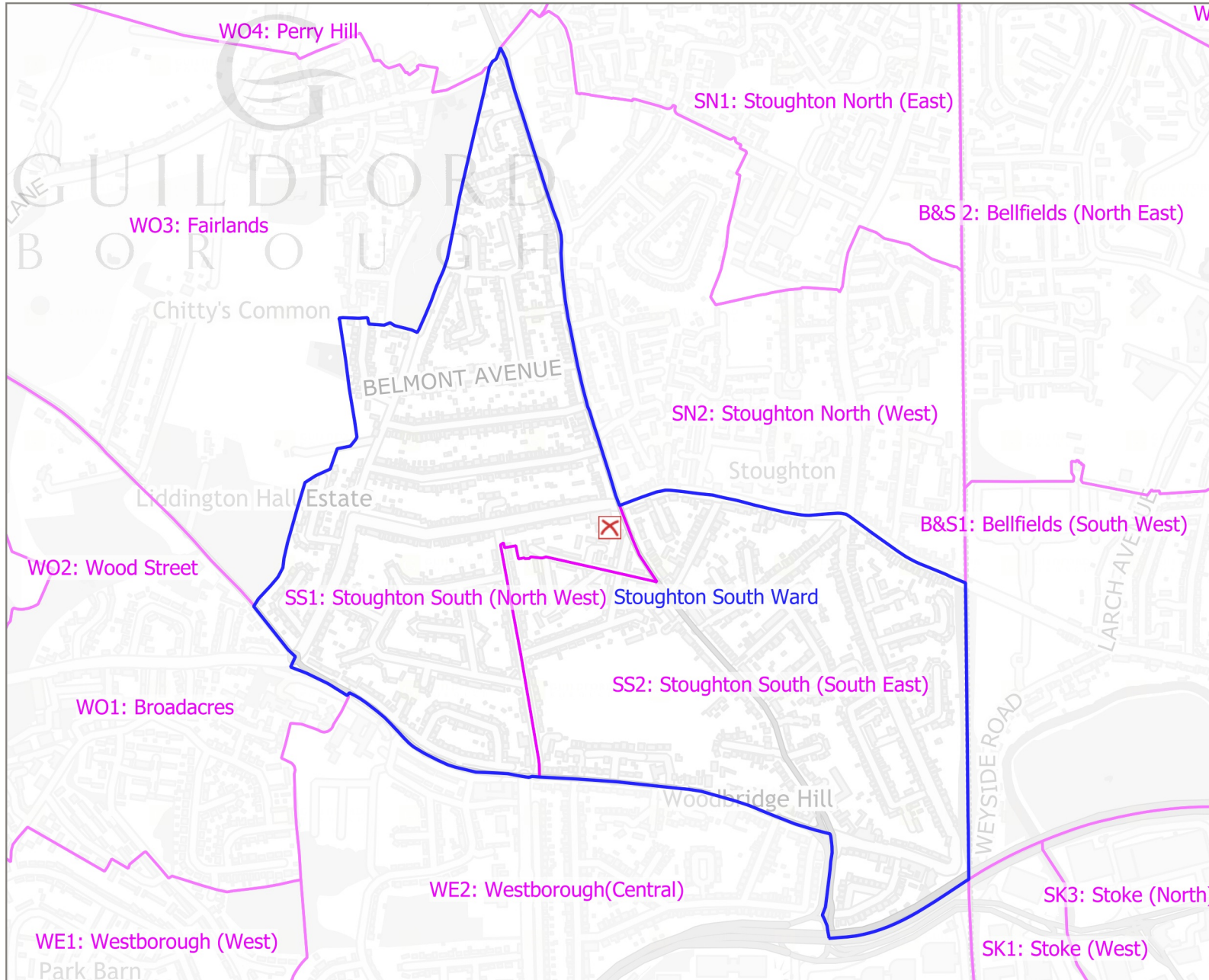
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Ward and Polling District Boundaries - Stoughton South Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

Emmanuel Church

Emmanuel Church

Publication Date: 2022-11-20



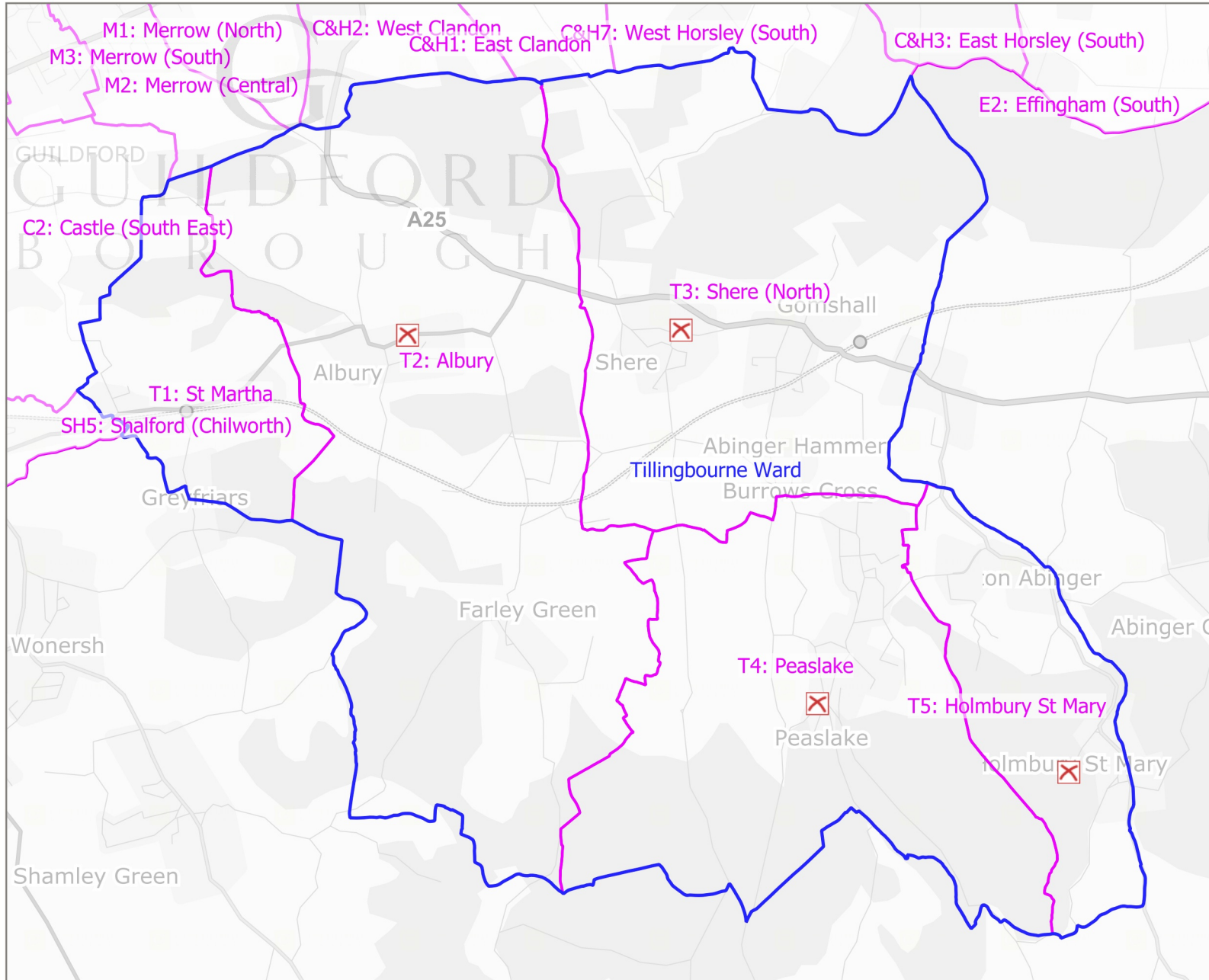
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Ward and Polling District Boundaries - Tillingbourne Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- | |
|-------------------------------|
| Albury Village Hall |
| Holmbury St Mary Village Hall |
| Peaslake Memorial Hall |
| Shere Village Hall |

Publication Date: 2022-11-24



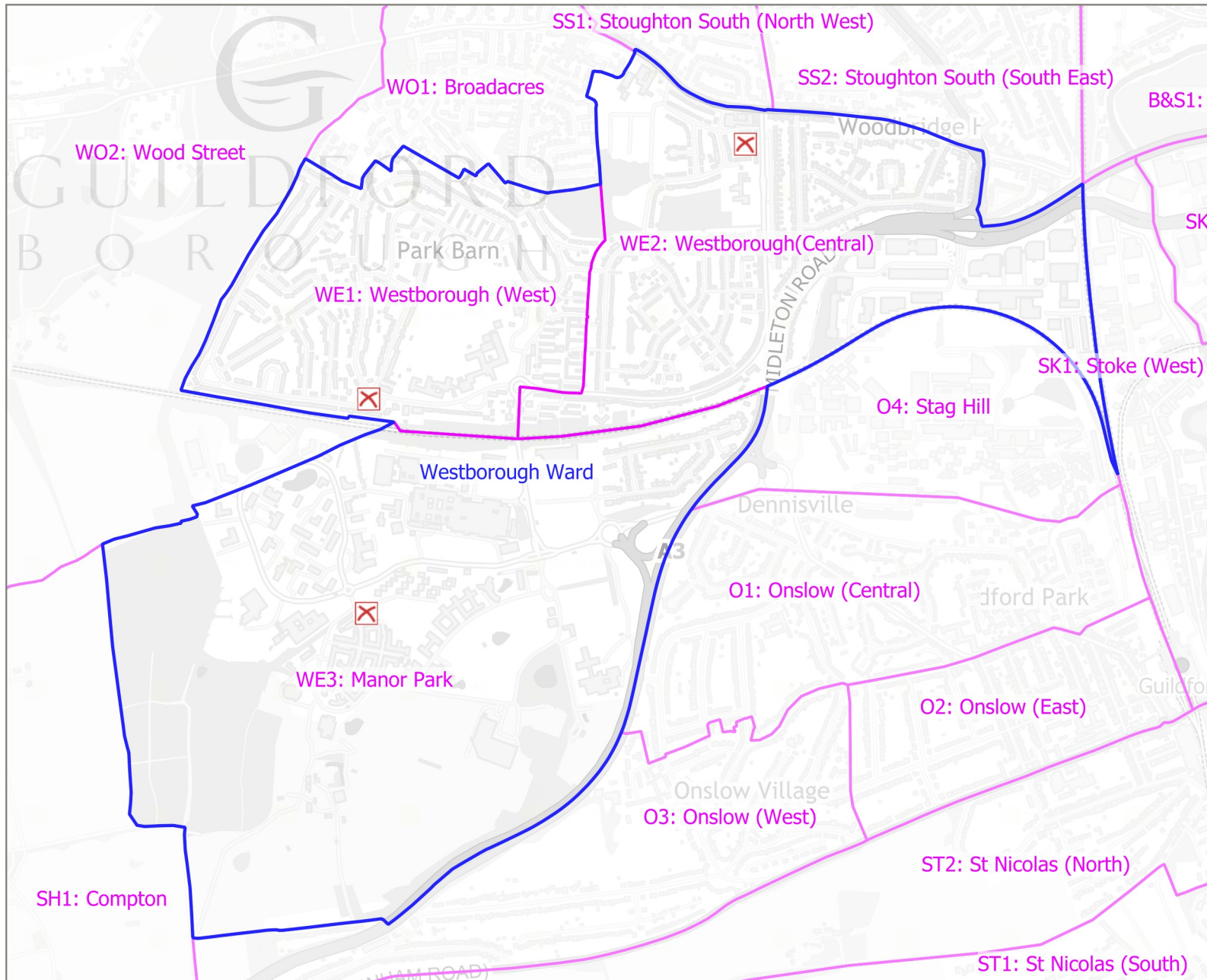
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Ward and Polling District Boundaries - Westborough Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- Manor Park Village and Surrey Research Park
- St Clare's Church Hall
- Westborough United Reformed Church

Publication Date: 2022-11-20



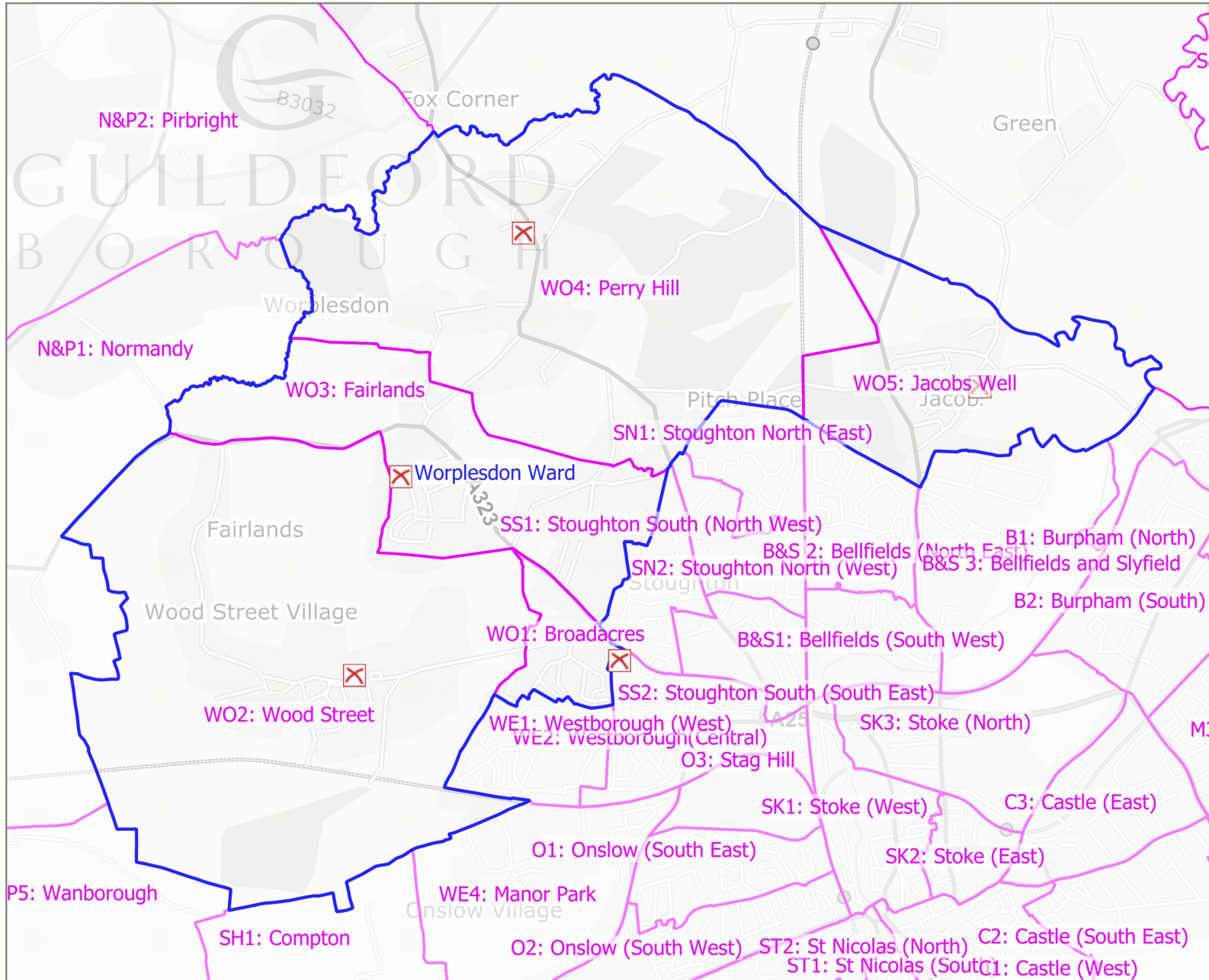
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Ward and Polling District Boundaries - Worplesdon Ward



Legend

- Ward Boundary
- Polling District
- X Polling Station

Polling Station List

- St Mary's Church Hall
- St Alban's Church Hall
- Fairlands Community Centre
- Worplesdon Memorial Hall
- 1st Jacobs Well Scout & Guide Group HQ

Publication Date: 2022-11-23



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Proposed Designated Polling Places for new Polling Districts

	New Borough Ward	New Polling District Ref:	Proposed Designated Polling Place
1	Ash South	AS1 – Ash South (West)	Ash Manor School Manor Road, Ash GU12 6QH
2	“	AS2 – Ash South (East)	Holy Angels Catholic Church 65 Ash Church Road, Ash, GU12 6LU
3	Ash Vale	AV1 – Ash Vale (North)	Holly Lodge Primary School Stratford Road, Ash Vale, GU12 5PX
4	“	AV2 – Ash Vale (South)	St Mary's Community Centre Vale Road, Ash Vale, GU12 5JE
5	Ash Wharf	AW1 - Ash Wharf (Shawfields West)	Japonica Court Shawfield Road, Ash, GU12 6QU
6	“	AW2 - Ash Wharf (Shawfields East)	Primrose Hall Church View, Ash, GU12 6RT
7	“	AW3 - Ash Wharf (Ranges)	Victoria Hall Ash Hill Road, Ash, GU12 5DN
8	Bellfields & Slyfield	B&S1 - Bellfields (South West)	New Hope Church Larch Avenue, Guildford, GU1 1JY
9	“ “	B&S2 - Bellfields (North East)	Bellfields Youth Centre Hazel Avenue, Guildford, GU1 1NA
10	“ “	B&S3 - Bellfields and Slyfield	Stoke & District Horticultural Club Bellfields Road, Guildford, GU1 1QG
11	Burpham	B1 - Burpham (North)	Sutherland Memorial Hall Clay Lane, Burpham, GU4 7JU
12	“	B2 - Burpham (South)	Burpham Village Hall Burpham Lane, Burpham, GU4 7LP
13	Castle	C1 - Castle (West)	Guildford Adult Learning Centre Sydenham Road, Guildford, GU1 3RX
14	“	C2 - Castle (South East)	The Spike Warren Road, Guildford, GU1 3JH
15	“	C3 - Castle (North)	Christ Church 23 Waterden Road Guildford GU1 2AZ
16	Clandon & Horsley	C&H1 - East Clandon	East Clandon Village Hall The Street, East Clandon, GU4 7RX
17	“ “	C&H2 - West Clandon	West Clandon Village Hall The Street, West Clandon, GU4 7TD

	New Borough Ward	New Polling District Ref:	Proposed Designated Polling Place
18	“ “	C&H3 - East Horsley (South)	St Martins Church Hall Ockham Road South, East Horsley, KT24 6RL
19	“ “	C&H4 - East Horsley (Central)	East Horsley Village Hall Kingston Avenue, East Horsley, KT24 6QT
20	“ “	C&H5 - Effingham Junction	St Martin's Community Hall Forest Road, Effingham Junction, KT24 5HD
21	“ “	C&H6 - West Horsley (North)	Raleigh School Northcote Crescent West Horsley, KT24 6LX
22	“ “	C&H7 - West Horsley (South)	West Horsley Village Hall The Street, West Horsley, KT24 6DD
23	Effingham	E1 - Effingham (North)	King George V Hall Browns Lane, Effingham, KT24 5ND
24	“	E2 - Effingham (South)	King George V Hall Browns Lane, Effingham, KT24 5ND
25	Merrow	M1 - Merrow (North)	Merrow C of E Infant School Kingfisher Drive, Merrow, GU4 7EA
26	“	M2 - Merrow (Central)	Merrow Village Hall 177 Epsom Road Guildford GU1 2QY
27	“	M3 - Merrow (South)	Boxgrove Primary School Boxgrove Lane, Guildford, GU1 2TD
28	Normandy & Pirbright	N&P1 - Normandy	St Mark's Church Hall Guildford Road, Normandy GU3 2DA
29	“ “	N&P2 - Pirbright	Lord Pirbright's Hall The Green Pirbright GU24 0JE
30	Onslow	O1 - Onslow (Central)	Queen Eleanor's Junior School Queen Eleanor's Road, Guildford, GU2 7SD
31	“	O2 - Onslow (East)	Onslow Village Hall The Square, Wilderness Road, Guildford, GU2 7QR
32	“	O3 - Onslow (West)	Onslow Village Hall The Square, Wilderness Road, Guildford, GU2 7QR
33	“	O4 - Stag Hill	Stag Hill Campus, University of Surrey Guildford, GU2 7XH
34	Pilgrims	P1 - Seale & Sands (West)	The Sands Room The Green, The Sands, GU10 1LL

	New Borough Ward	New Polling District Ref:	Proposed Designated Polling Place
35	“	P2 - Seale & Sands (East)	Seale Village Hall School Hill, Seale, GU10 1HY
36	“	P3 - Puttenham	The Marwick Hall School Lane, Puttenham, GU3 1AS
37	“	P4 - Shackleford	Shackleford Village Hall Shackleford Road, Shackleford, GU8 6AE
38	“	P5 - Wanborough	The Granary Wanborough, Guildford GU3 2JR
39	“	P6 - Tongham	Tongham Community Centre Poyle Road, Tongham, GU10 1DU
40	Send & Lovelace	S&L1 - Ockham	All Saints Church Ockham Road North, Ockham, GU23 6NL
41	“ “	S&L2 - Ripley	Ripley Village Hall High Street, Ripley, GU23 6AF
42	“ “	S&L3 - Wisley	Ripley Village Hall High Street, Ripley, GU23 6AF
43	“ “	S&L4 - Send (East)	Lancaster Hall Send Road, Send, GU23 7ET
44	“ “	S&L5 - Send (West)	Lancaster Hall Send Road, Send, GU23 7ET
45	Shalford	SH1 - Compton	Compton Village Hall The Street, Compton, GU3 1EG
46	“	SH2 - Artington	Compton Village Hall The Street, Compton, GU3 1EG
47	“	SH3 - Shalford (Peasmarsh)	Peasmarsh Church Hall Unstead Wood, Peasmarsh, GU3 1ND
48	“	SH4 - Shalford (Central)	Shalford Village Hall Kings Road, Shalford GU4 8BQ
49	“	SH5 - Shalford (Chilworth)	Chilworth Village Hall New Road, Chilworth, GU4 8LX
50	St Nicolas	ST1 - St Nicolas (South)	Guildford United Reformed Church 83 Portsmouth Road, Guildford, GU2 4BS
51	“ “	ST2 - St Nicolas (North)	Guildford United Reformed Church 83 Portsmouth Road, Guildford, GU2 4BS

	New Borough Ward	New Polling District Ref:	Proposed Designated Polling Place
52	Stoke	SK1 - Stoke (West)	Salvation Army Hall, Woodbridge Road, Guildford, GU1 4QQ
53	“	SK2 - Stoke (East)	St Joseph's Church Hall Eastgate Gardens, Guildford, GU1 4AZ
54	“	SK3 - Stoke (North)	The Stirling Centre, St John's Church Stoke Road, Guildford, GU1 1HB
55	Stoughton North	SN1 - Stoughton North (East)	ACF Premises Railton Road Guildford, GU2 9LX
56	“ “	SN2 - Stoughton North (West)	Stoughton Infant School Stoughton Road, Guildford, GU2 9ZT
57	Stoughton South	SS1 - Stoughton South (North West)	Emmanuel Church/ Parish Centre Shepherds Lane, Guildford, GU2 9SJ
58	“ “	SS2 - Stoughton South (South East)	Emmanuel Church/ Parish Centre Shepherds Lane, Guildford, GU2 9SJ
59	Tillingbourne	T1 - St Martha	Chilworth Village Hall New Road, Chilworth, GU4 8LX
60	“	T2 - Albury	Albury Village Hall The Street, Albury, GU5 9AD
61	“	T3 - Shere	Shere Village Hall Gomshall Lane, Shere, GU5 9HE
62	“	T4 – Peaslake	Peaslake Village Hall Walking Bottom, Peaslake, GU5 9RR
63	“	T5 – Holmbury St Mary	Holmbury St Mary Village Hall Felday Glade, Holmbury St Mary, RH5 6PG
64	Westborough	WE1 - Westborough (West)	St Clare's Church Hall Applegarth Avenue, Guildford, GU2 8LZ
65	“	WE2 - Westborough (Central)	Westborough United Ref. Church 4B Southway, Guildford, GU2 8DA
66	“	WE3 - Manor Park	Manor Park Village and Surrey Research Park 1 Alexander Fleming Road, Guildford, GU2 7YW
67	Worplesdon	WO1 - Broadacres	St Mary's Church Hall 157 Aldershot Road, Guildford, GU2 8BP

	New Borough Ward	New Polling District Ref:	Proposed Designated Polling Place
68	“	WO2 - Wood Street	St Alban's Church Hall Oak Hill, Wood Street Village, Guildford GU3 3ES
69	“	WO3 - Fairlands	Fairlands Community Centre Fairlands Avenue, Fairlands, Guildford, GU3 3NA
70	“	WO4 - Perry Hill	Worplesdon Memorial Hall Perry Hill, Worplesdon, Guildford, GU3 3RF
71	“	WO5 - Jacobs Well	1st Jacobs Well Scout & Guide Group HQ Jacobs Well Road, Guildford, GU4 7PD

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Council Report

Ward(s) affected: All

Report of Joint Strategic Director: Transformation and Governance

Author: John Armstrong, Democratic Services & Elections Manager

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Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

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Date: 6 December 2022

Guildford Joint Committee

Executive Summary

In 2018, this Council and Surrey County Council agreed to replace the former Local Committee (Guildford) with a new Guildford Joint Committee, which would deal not only with the range of executive and non-executive County Council functions that the Local Committee discharged locally, but also a range of executive and non-executive Borough Council functions delegated to it.

Both councils also adopted a Constitution for the Guildford Joint Committee, which set out, amongst other things, the various functions delegated to it and standing orders under which it was proposed that the Joint Committee would operate. The Joint Committee Constitution currently sits in Part 3 of the Council's own Constitution under Responsibility for Functions.

The Joint Committee comprises the ten County Councillors representing the ten County Divisions within the Borough, plus ten Borough Councillors appointed on a politically proportionate basis.

The first Joint Committee meeting was held in September 2018. The last meeting of the Joint Committee was held on 26 October 2022.

The Council will be aware that Surrey County Council's Cabinet decided in February 2022 to transfer all executive highway functions (including on-street parking) from the Guildford Joint Committee, and other Joint Committees and Local Committees in Surrey, to County Officers, in consultation with relevant Divisional Members. These changes took effect from 1 April 2022 and sit alongside the development of new engagement methods and tools to enable members and officers to reach out more effectively to residents.

The County Council had also agreed at its Annual Meeting on 24 May 2022 that county councillors elected as chairmen or vice-chairmen of the Local and Joint Committees across the county shall hold those offices only until 31 October 2022. County partnership officers involved in supporting the Joint Committees

and Local Committees across the county will end those responsibilities also with effect from 31 October 2022.

On 27 September 2022, the Leader of Surrey County Council made a decision to remove the remaining executive functions and advisory functions from all the Local Committees and Joint Committees in the county with effect from 11 October 2022.

At the County Council meeting on 11 October 2022, formal approval was given to cease all the Local Committees with effect from 31 October 2022, to serve notice of the County Council's intention to withdraw from all of the Joint Committees (the notice to expire on or before 30 April 2023), and to transfer their non-executive functions relating to Public Rights of Way from all the Local and Joint Committees back to the County's own local governance arrangements.

The effect of these decisions taken by Surrey County Council means that the Guildford Joint Committee now has no County Council functions delegated to it, and its remit only comprises the very limited number of Borough Council executive and non-executive functions. On or before 30 April 2023, the Guildford Joint Committee will cease to exist, although it is arguable that the Joint Committee cannot now be considered to be a "joint committee" where one of the two parties has withdrawn all of its functions. After 31 October 2022, the Guildford Joint Committee would no longer have a chairman (which is currently Councillor Fiona White in her capacity as a county councillor), and if it were to continue until 30 April 2023, this Council would have to manage the Joint Committee.

In light of the decisions taken by Surrey County Council outlined above, the Executive confirmed, at its meeting on 24 November 2022, that it wished to transfer the existing executive and advisory functions currently within the remit of the Joint Committee back to this Council with immediate effect. The Executive has also recommended that full Council approves the transfer of our existing non-executive functions relating to public rights of way back to this Council. If the Council agrees to this action, then the Joint Committee will effectively be dissolved as of 6 December (rather than next April) as it would have no functions delegated to it.

Recommendation to Council:

That the Council approves the transfer of all of the Borough Council's non-executive functions relating to public rights of way from the Guildford Joint Committee's remit, as set out in the Joint Committee Constitution, and that those functions be delegated back to the Lead Specialist – Legal.

Reason for Recommendation:

To enable the Council to consider its position in light of the withdrawal of all County Council functions from the Guildford Joint Committee.

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

1. Purpose of Report

- 1.1 To consider the Council's position in light of the decisions taken by Surrey County Council (SCC) to withdraw all of its functions from the Guildford Joint Committee, and to give six months' notice of intention to withdraw their involvement from the Joint Committee.

2. Background

- 2.1 Since local government reorganisation in 1974, at which point SCC assumed responsibility as the highway authority for local roads and traffic management, and up until 2002, there have been a number of SCC led member-level forums in the Guildford area for consideration of matters such as local highway maintenance and improvement programmes, transportation plans and traffic management schemes.
- 2.2 These forums have generally been sub-committees of a parent SCC committee to which Guildford Borough Council (GBC) nominated councillors for co-option. GBC councillors on these sub-committees had full voting rights, although SCC had an overall majority of councillors on them. Arrangements similar to these were adopted in a number of other, but not all, Surrey districts.
- 2.3 Following the mandatory adoption of executive arrangements, SCC disbanded what was then known as the Guildford Partnership Area Transportation Sub-Committee (and similar sub-committees across the county) and, in 2002, established eleven Local Committees in the district areas, including Guildford. Each of the Local Committees comprised the county councillors representing electoral divisions within the district plus the same number of district/borough councillors who were co-optees.
- 2.4 The purpose of the Local Committees was to bring SCC decision-making and its services closer to the communities it served. They discuss issues such as education, social care, parking, young people, as well as highways and transportation.
- 2.5 The Local Committees exercise a number of specific executive functions delegated to them by SCC's Cabinet and limited non-executive functions delegated to them by the full Council of SCC. District/borough councillors on the Local Committees were allowed to vote on all matters, with the exception of Education and Youth (where there is a statutory restriction on joint voting).
- 2.6 In recent years, there have been initiatives, to transform the Local Committees into joint committees. The distinction between a Local Committee and a joint committee is that a joint committee has delegated to it responsibility for the discharge of specific county council *and district council* functions within the district area, including budgets.
- 2.7 In 2018, this Council and SCC agreed to replace the former Local Committee (Guildford) with a new Guildford Joint Committee, which would deal not only with the range of executive and non-executive SCC

functions that the Local Committee discharged locally, but also a range of executive and non-executive GBC functions delegated to it.

- 2.8 Both councils also adopted a Constitution for the Guildford Joint Committee, which set out, amongst other things, the various functions delegated to it and standing orders under which it was proposed that the Joint Committee would operate. The Joint Committee Constitution currently sits in Part 3 of the Council's own Constitution under Responsibility for Functions.
- 2.9 The Joint Committee comprises the ten County Councillors representing the ten County Divisions within the Borough, plus ten Borough Councillors appointed on a politically proportionate basis.
- 2.10 The first Joint Committee meeting was held in September 2018. Since then, there have been 14 meetings of the Guildford Joint Committee. It is worth noting that 75% of the business transacted at those meetings dealt with highways, infrastructure, and parking matters. The main GBC function dealt with by the Joint Committee has been Air Quality (approximately 17% of all business transacted).

3. Withdrawal of functions by SCC

- 3.1 The Council will be aware that SCC's Cabinet decided in February 2022 to transfer all executive highway functions (including on-street parking) from the Guildford Joint Committee, and other Joint Committees and Local Committees in Surrey, to County Officers, in consultation with relevant Divisional Members. These changes took effect from 1 April 2022 and sit alongside the development of new engagement methods and tools to enable members and officers to reach out more effectively to residents.
- 3.2 At its Annual Meeting on 24 May 2022, SCC noted a number of consequential changes to the Guildford Joint Committee Constitution to omit from its terms of reference all executive highway functions (including on-street parking), and agreed that county councillors elected as chairmen or vice-chairmen of the Local and Joint Committees across the county shall hold those offices only until 31 October 2022.
- 3.3 On 27 September 2022, the Leader of SCC made a decision to remove the remaining executive functions and advisory functions from all the Local Committees and Joint Committees in the county with effect from 11 October 2022.
- 3.4 At the SCC meeting on 11 October 2022, formal approval was given to cease all the Local Committees with effect from 31 October 2022, to serve notice of SCC's intention to withdraw from all of the Joint Committees (the notice to expire on or before 30 April 2023), and to transfer their non-executive functions relating to Public Rights of Way from all the Local and Joint Committees back to the County's own local governance arrangements. That notice has been received.

3.5 At its meeting on 24 November 2022, the Executive considered a report on this matter and agreed, in light of SCC's actions, to withdraw all of GBC's executive and advisory functions within the remit of the Guildford Joint Committee and has recommended to full Council that it withdraws the non-executive functions relating to rights of way.

3.6 This report asks the Council to consider its position in light of these changes.

4. Comments from GBC Officers in response to the initial withdrawal of parking and highways executive functions

Head of Operational and Technical Services (now Executive Head of Environmental Services)

4.1 The changes to decision making in relation to on-street parking matters affects significant parts of Guildford. Primarily this is in relation to the Controlled Parking Zone (CPZ) but also changes the decision-making process for traffic regulation orders (mainly yellow line restrictions) across the whole of the Borough. Under the new approach, there is now no longer any formal decision-making role for Borough councillors in these matters and decisions on the location and nature of the controls are now to be undertaken under delegation by SCC officers with primary input from SCC divisional councillors, although there is an intention and expectation for borough ward councillors to be part of the consultation process for future reviews that are undertaken in their respective wards.

4.2 We are currently mid-way through an existing review which has progressed under the old system, so the new approach has not been used yet. The finer details of the new process are being fine-tuned before being brought into use for the next on-street review. Reviews of on-street controls and associated activity, such as Park & Ride were a significant part of the work of the Joint Committee.

Head of Environment and Regulatory Services

4.3 In relation to Air Quality, the Joint Committee has approved an overarching Air Quality Policy/Strategy and individual Air Quality Management/Action Plans relating to parts of the borough. This has been really helpful over recent years as so many of the air quality decisions were connected to roads and transport matters in which SCC have been directly involved. Whilst the air quality legal duties are all with Districts and Boroughs, any dissolution of the Joint Committee would necessitate agreement with SCC of a formal decision-making route on future air quality measures in the borough.

5. Possible response from GBC

5.1 The effect of the decisions taken by SCC means that the Guildford Joint Committee now has no SCC functions delegated to it. With the recent decision taken by the Executive to withdraw GBC executive and

advisory functions on 24 November, its remit now only comprises the very limited number of GBC non-executive functions.

- 5.2 In light of these decisions outlined above, the Council is asked to transfer the existing non-executive functions currently within the remit of the Joint Committee back to this Council. If the Council agrees to this action, then the Joint Committee will effectively be dissolved as of 6 December (rather than next April) as it would have no functions delegated to it.

6. Possible Alternative Arrangements moving forward

- 6.1 On the assumption that councillors would wish, in the event of the dissolution of the Guildford Joint Committee, to proactively seek to replace it with an alternative collaborative decision-making body with a wider public service remit, the Joint Chief Executive will explore options with the County Council to achieve this.
- 6.2 It is envisaged that possible priority areas for better collaborative working, including measurable objectives, could focus on:
- climate change and air quality
 - interventions for the economically vulnerable,
 - improving employability
 - reducing health inequality
- 6.3 It is also understood that the Leader of the County Council wishes to discuss with boroughs and districts the concept of local partnership boards, involving other key partners/agencies, within each borough/district.

7. Legal implications

- 7.1 Under arrangements for any joint committee between two local authorities, it is implicit that any executive or non-executive functions delegated to a joint committee by one authority can be unilaterally withdrawn by that authority. SCC has exercised its right to withdraw all of its functions from all Joint Committees and Local Committees in the county, and has agreed to give six months' notice under the terms of the Joint Committee's Constitution of its wish to withdraw from the Joint Committee.
- 7.2 If the full Council agrees to withdraw GBC's non-executive functions, the Joint Committee will effectively be dissolved at this point, without the need to wait for the expiry of the six months' notice referred to above.

8. Financial implications

- 8.1 It is not anticipated that continuing with a Joint Committee or withdrawal from it will have any significant financial implications for the Council. If the operation of the Joint Committee was terminated, there would be a small saving of £1,567 p.a. on a special responsibility

allowance in respect of the Vice-Chairman of the Joint Committee (as set out in the current scheme of allowances for councillors).

9. Human Resource implications

9.1 There are no significant human resource implications arising directly from this report.

10. Summary of Options

10.1 Option 1:

The Council could decide not to withdraw GBC non-executive functions and to continue with the Joint Committee arrangement with SCC until the expiry of the six months' notice given by SCC (not beyond 30 April 2022). However, since the only non-executive functions relate to the very limited borough council responsibilities for rights of way, it is very unlikely that there would be any business for the Joint Committee to consider between now and the end of April 2023.

Option 2: (recommended)

The Council could decide to withdraw GBC non-executive functions from the Joint Committee, which would have the effect of immediately dissolving the Joint Committee.

Should Option 2 be agreed, the Joint Chief Executive will explore options for alternative joint working arrangements with the County Council and other public sector partners and agencies.

11. Conclusion

11.1 SCC has decided to withdraw all of its functions from the Guildford Joint Committee, and has decided to give notice of its intention to withdraw fully from the Joint Committee by the end of the current municipal year. The Executive has decided to withdraw GBC's executive and advisory functions from the Joint Committee's remit and it is now for this Council to determine how it wishes to proceed.

11. Background Papers

None

12. Appendices

None

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Council Report

Ward(s) affected: n/a

Report of Joint Strategic Director (Transformation and Place)

Author: John Armstrong (Democratic Services and Elections Manager)

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Date: 6 December 2022

Review of Numerical Allocation of Seats on Committees to Political Groups: 2022-23

Executive Summary

At its meeting on 11 October 2022, the Council agreed a numerical allocation of seats on committees to the political groups on the Council to reflect the resignation of Councillor Diana Jones from the Residents for Guildford and Villages group and her wish to be regarded as a member of the Green Party (see **Appendix 1**).

Since then, councillors will be aware that the by-election to fill the vacant seat in the Tillingbourne ward, following the death of Councillor Richard Billington, was held on 20 October 2022, which resulted in the election of Councillor Richard Morris. Notice in writing has been received from Councillor Morris that he wishes to be treated as a member of the Guildford Liberal Democrat group on the Council.

On 9 November 2022, Councillor Tony Rooth gave notice of his resignation from the Residents for Guildford and Villages group and his wish to be regarded as an independent member.

Therefore, the political balance on the Council is now:

Guildford Liberal Democrats: 17
Residents for Guildford and Villages: 14
Conservatives: 8
Guildford Greenbelt Group: 4
Labour: 2
Independent: 2
Green: 1

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

This report sets out, in **Appendix 2**, the notional calculation of the numerical allocation of seats on committees based on the percentage of seats to which each political group, and the two independent members, and the single Green Party member, would be entitled when applying the normal rounding up/down rules.

The notional calculation invariably requires refinement in terms of adjustments to meet the required number of members on committees etc. To that end, **Appendix 3** sets out a proposed calculation of numerical allocation of seats on committees to the political groups, the two independent members, and to the single Green Party member, for approval by the Council. Following approval, the relevant political groups will be invited to appoint councillors to any vacant seats, or make any other adjustments, as appropriate.

Recommendation to Council:

The Council is invited to approve a revised calculation of the numerical allocation of seats on committees to each political group on the Council, and to the two independent members, and the single Green Party member, for the remainder of the 2022-23 municipal year.

Reason for Recommendation:

To enable the Council to comply with Council Procedure Rule 23 in respect of the appointment of committees and with its obligations under the Local Government and Housing Act 1989 in respect of the political proportionality on its committees.

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

1. Purpose of report

1.1 The Council is asked to review the numerical allocation of seats on committees to political groups following:

- (a) the Tillingbourne ward by-election held on 20 October 2022, which resulted in the election of Councillor Richard Morris. It has been confirmed that Councillor Morris wishes to be treated as being a member of the Guildford Liberal Democrat group; and
- (b) the resignation of Councillor Tony Rooth from the Residents for Guildford and Villages group and his wish to be regarded as an independent member.

2. Background

2.1 Under Council Procedure Rule 23, the Council is required to review the allocation of seats on committees to political groups at its annual Selection meeting and as soon as reasonably practicable following any change in the political constitution of the Council or as otherwise required by statute. Wherever such a review is required, the Democratic Services and Elections Manager will submit a report to the Council showing what allocation of seats would best meet, as far as reasonably practicable, the requirements for political balance.

3. Main Considerations

Requirement for political balance and numerical allocation of seats on committees

- 3.1 Section 15 of the Local Government and Housing Act 1989 sets out how committees must be constituted when the Council is divided into one or more political groups. The Council must give effect, *as far as reasonably practicable*, to the following four principles in constituting its committees or sub-committees:
- (a) that not all of the seats on any committee are allocated to the same political group;
 - (b) that if a political group has a majority on the Council, it must have a majority of seats on all committees;
 - (c) that, subject to (a) and (b) above, the number of seats allocated to a political group across all the committees must reflect their proportion of the authority's membership; and
 - (d) that, subject to (a) to (c) above, the number of seats allocated to a political group on each committee is as far as possible in proportion to the group's membership of the authority.
- 3.2 The Local Government (Committees and Political Groups) Regulations 1990 (as amended) make provision for securing the political balance on councils and their committees and for determining the voting rights of members of certain committees.
- 3.3 Details of the current numerical allocation of seats on the committees to the political groups, which were approved by the Council at its meeting on 11 October 2022, are shown in **Appendix 1** to this report.
- 3.4 In light of Councillor Morris's election to the Council, and his wish to be regarded as a member of the Guildford Liberal Democrat group, and Councillor Rooth's resignation from the Residents for Guildford and Villages group, the political complexion of the Council is now as follows:
- | | |
|---------------------------------------|----|
| Guildford Liberal Democrats: | 17 |
| Residents for Guildford and Villages: | 14 |
| Conservatives: | 8 |
| Guildford Greenbelt Group: | 4 |
| Labour: | 2 |
| Independent: | 2 |
| Green: | 1 |
- 3.5 The first stage of the review is to make a *notional* calculation of the numerical allocation of seats based on the percentage of seats to which each political group would be entitled when applying the normal rounding up/down rules.
- 3.6 On this occasion, the Council will need to take into account the item elsewhere on this agenda in respect of the future of the Guildford Joint Committee. Dependent on whether the Executive and Council wish to continue with the Joint Committee until the end of the current municipal year, or dissolve the Joint Committee immediately by withdrawing all GBC functions, the notional calculations are set out

as two options – one with the Joint Committee included in the calculation (see **Appendix 2**), and the other with the Joint Committee excluded from the calculation (see **Appendix 3**).

3.7 The **notional calculations in Appendices 2 and 3** suggest the following adjustments:

- To increase the allocation of seats on the Corporate Governance and Standards Committee by one
- To increase the allocation of seats on the Licensing Committee by one
- To increase the allocation of seats on the Planning Committee by one
- To reduce the allocation of seats to the Conservative group by two as that group is only entitled to sixteen seats overall with the Joint Committee included, and fourteen seats overall with the Joint Committee excluded
- To increase the allocation of seats to the Guildford Liberal Democrat group by two as that group is entitled to thirty-four seats overall with the Joint Committee included, and thirty seats overall with the Joint Committee excluded
- To reduce the allocation of seats to the Residents for Guildford and Villages group by one as that group’s entitlement is twenty-eight seats overall with the Joint Committee included, and twenty-five seats overall with the Joint Committee excluded
- To reduce the allocation of seats to the Labour group by one as that group is only entitled to four seats overall
- To make provision for the allocation of two seats to the Green Party member
- To make provision for the allocation of two seats each to both independent members

3.8 Taking all this into account, the second stage of the review is to agree a numerical allocation of seats to political groups on committees that meets, *as far as reasonably practicable*, the requirements for political balance. Options for addressing the adjustments referred to in paragraph 3.7 above are set out in the table below:

	Adjustment to notional allocation	Options
1	To increase the allocation of seats on the Corporate Governance and Standards Committee by one.	To allocate the 7 th seat on the Committee to the Labour group. This would reflect the current allocation on this Committee.
2	To increase the allocation of seats on the Licensing Committee by one.	To allocate the 15 th seat on the Committee to the Residents for Guildford and Villages group. Whilst notionally only being entitled to four seats, rounded down from 4.38 seats, no other group (or individual councillor) has a higher notional entitlement to an additional seat (or a seat) on this Committee. The allocation of the 15 th seat to the Residents for Guildford and Villages group would also reflect the current allocation of seats on this Committee.

	Adjustment to notional allocation	Options
3	To increase the allocation of seats on the Planning Committee by one.	To allocate the 15 th seat on the Committee to the Residents for Guildford and Villages group. Whilst notionally only being entitled to four seats, rounded down from 4.38 seats, no other group (or individual councillor) has a higher notional entitlement to an additional seat (or a seat) on this Committee. The allocation of the 15 th seat to the Residents for Guildford and Villages group would also reflect the current allocation of seats on this Committee.
4	To reduce the allocation of seats to the Conservative group overall by two	<p>To reduce the number of seats allocated to the Conservative group on the Guildford Joint Committee by one (If the Joint Committee is included).</p> <p>To reduce the number of seats allocated to the Conservative group on the Service Delivery EAB by one (If the Joint Committee is excluded).</p> <p>To reduce the number of seats allocated to the Conservative group on the Licensing Committee by one. This would reflect the group's current allocation on this Committee.</p>
5	To increase the allocation of seats to the Guildford Liberal Democrat group overall by two	<p>To allocate an additional seat on the Licensing Committee to the Guildford Liberal Democrat group. This would reflect the group's current allocation on this Committee.</p> <p>No other option is considered to allocate an additional seat to the Guildford Liberal Democrat group as the total number of seats allocated to the other groups and to the three councillors who are not members of a political group is equal to their respective notional allocations.</p>
6	To reduce the allocation of seats to the Residents for Guildford and Villages group overall by one	<p>Taking into account items 2 and 3 in this table, to reduce the number of seats allocated to the Residents for Guildford and Villages group on the Guildford Joint Committee by one (If the Joint Committee is included).</p> <p>To reduce the number of seats allocated to the Residents for Guildford and Villages group on the Overview and Scrutiny Committee by one (If the Joint Committee is excluded).</p> <p>To reduce the number of seats allocated to the</p>

	Adjustment to notional allocation	Options
		Residents for Guildford and Villages group on both the Service Delivery EAB and the Strategy and Resources EAB by one.
7	To reduce the allocation of seats to the Labour group overall by one	<p>To allocate one seat to the Labour group on each of the following committees:</p> <ul style="list-style-type: none"> • Corporate Governance & Standards Committee • Strategy & Resources EAB • Overview & Scrutiny Committee • Planning Committee <p>This would reflect their current allocation.</p>
8	To make provision for the allocation of two seats to the Green Party member (Cllr Diana Jones)	<p>To allocate a seat on each EAB to the Green Party member.</p> <p>This would reflect the current allocation of seats to the Green Party member</p>
9	To make provision for the allocation of two seats to the independent member (Cllr Jan Harwood)	<p>To allocate a seat on the Guildford Joint Committee to Cllr Harwood (if the Joint Committee is included)</p> <p>To allocate a seat on the Licensing Committee to Cllr Harwood.</p> <p>This would reflect the current allocation of seats to Cllr Harwood.</p> <p>To allocate a seat on the Service Delivery EAB to Cllr Harwood (if the Joint Committee is excluded).</p>
10	To make provision for the allocation of two seats to the independent member (Cllr Tony Rooth)	<p>To allocate a seat on the Guildford Joint Committee to Cllr Rooth (if the Joint Committee is included)</p> <p>To allocate a seat on the Service Delivery EAB to Cllr Rooth.</p> <p>To allocate a seat on the Overview and Scrutiny Committee to Cllr Rooth (if the Joint Committee is excluded).</p>

3.9 Following consultation with political group leaders, a proposal for consideration that addresses, as far as practicable, the required adjustments referred to above, is set

out in **Appendix 4** (with the Guildford Joint Committee included) or in **Appendix 5** (with the Guildford Joint Committee excluded).

- 3.10 At the Council meeting, the Leader of the Council will propose a motion setting out for debate a draft calculation of the numerical allocation of seats on committees to political groups and to the two independent members and the Green Party member for the remainder of the municipal year. This will be dependent on the outcome of the Council's consideration of the future of the Guildford Joint Committee.

4. Legal implications

- 4.1 As the Council's membership is divided into political groups, it is required by sections 15 and 16 of the Local Government and Housing Act 1989 and related regulations, to ensure that appointments to fill seats on committees are allocated in the same proportion as that in which the Council as a whole is divided, and to give effect, *as far as reasonably practicable*, to the four principles referred to in paragraph 3.1 above.
- 4.2 There is also a duty to review annually the allocation of seats on committees to political groups or following any change in the political constitution of the Council.

5. Financial Implications

- 5.1 There are no financial implications arising from this report.

6. Human resource Implications

- 6.1 There are no human resource implications arising from this report.

7. Background Papers

None

8. Appendices

- Appendix 1: Current numerical allocation of seats on committees to political groups for 2022-23 as agreed by Council on 11 October 2022
- Appendix 2: Notional Revised Calculation of the Numerical Allocation of Seats to political groups on Committees 2022-23 (**including the Guildford Joint Committee**)
- Appendix 3: Notional Revised Calculation of the Numerical Allocation of Seats to political groups on Committees 2022-23 (**excluding the Guildford Joint Committee**)
- Appendix 4: Proposed Revised Calculation of the Numerical Allocation of Seats to political groups on Committees 2022-23 (**including the Guildford Joint Committee**)
- Appendix 5: Proposed Revised Calculation of the Numerical Allocation of Seats to political groups on Committees 2022-23 (**excluding the Guildford Joint Committee**)

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CURRENT Numerical Allocation of Seats to Political Groups on Committees 2022-23 (as agreed by Council on 11 October 2022)

Committee	Guildford Liberal Democrats	Residents for Guildford & Villages	Conservatives	Guildford Greenbelt Group	Labour	Green	Independent
Total no. of seats on the Council (47 + 1 vacancy)	16	15	8	4	2	1	1
% of no. of seats on the Council	34.04%	31.91%	17.02%	8.51%	4.25%	2.13%	2.13%
Notional number of seats on committees (Actual Total: 95)	32	30	16	8	4	2	2
Corporate Governance & Standards Committee (7 seats)	2	2	1	1	1	0	0
Employment Committee (3 seats)	1	1	1	0	0	0	0
Service Delivery EAB (12 seats)	4	4	2	1	0	1	0
Strategy and Resources EAB (12 seats)	4	3	2	1	1	1	0
Guildford Joint Committee (10 seats)	3	3	2	1	0	0	1
Joint Appointments Committee (3 seats)	1	1	1	0	0	0	0
Joint Governance Committee (6 seats)	2	2	1	1	0	0	0
Licensing Committee (15 seats)	6	5	2	1	0	0	1
Overview & Scrutiny Committee (12 seats)	4	4	2	1	1	0	0
Planning Committee (15 seats)	5	5	3	1	1	0	0
Total no. of seats on committees	32	30	17	8	4	2	2

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NOTIONAL Revised Calculation of the Numerical Allocation of Seats to Political Groups on Committees 2022-23 (incl. Gfd Joint Cttee)

Committee	Guildford Liberal Democrats	Residents for Guildford & Villages	Conservatives	Guildford Greenbelt Group	Labour	Green	Independent (Cllr Harwood)	Independent (Cllr Rooth)	Adjustment required
Total no. of seats on the Council (48)	17	14	8	4	2	1	1	1	
% of no. of seats on the Council	35.42%	29.17%	16.67%	8.33%	4.17%	2.08%	2.08%	2.08%	
Notional number of seats on committees (Actual Total: 95)	34 33.65	28 27.71	16 15.84	8 7.92	4 3.96	2 1.98	2 1.98	2 1.98	-1
Corporate Governance & Standards Cttee (7 seats)	2 2.48	2 2.04	1 1.17	1 0.58	0 0.29	0 0.15	0 0.15	0 0.15	+1
Employment Committee (3 seats)	1 1.06	1 0.88	1 0.5	0 0.25	0 0.13	0 0.06	0 0.06	0 0.06	
Service Delivery EAB (12 seats)	4 4.25	4 3.5	2 2	1 1	1 0.5	0 0.25	0 0.25	0 0.25	
Strategy and Resources EAB (12 seats)	4 4.25	4 3.5	2 2	1 1	1 0.5	0 0.25	0 0.25	0 0.25	
Guildford Joint Committee (10 seats)	4 3.54	3 2.92	2 1.67	1 0.83	0 0.42	0 0.21	0 0.21	0 0.21	
Joint Appointments Committee (3 seats)	1 1.06	1 0.88	1 0.5	0 0.25	0 0.13	0 0.06	0 0.06	0 0.06	
Joint Governance Committee (6 seats)	2 2.13	2 1.75	1 1	1 0.5	0 0.25	0 0.12	0 0.12	0 0.12	
Licensing Committee (15 seats)	5 5.31	4 4.38	3 2.5	1 1.25	1 0.63	0 0.31	0 0.31	0 0.31	+1
Overview & Scrutiny Committee (12 seats)	4 4.25	4 3.5	2 2	1 1	1 0.5	0 0.25	0 0.25	0 0.25	
Planning Committee (15 seats)	5 5.31	4 4.38	3 2.5	1 1.25	1 0.63	0 0.31	0 0.31	0 0.31	+1
Total no. of seats on committees	32	29	18	8	5	0	0	0	+3

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NOTIONAL Revised Calculation of the Numerical Allocation of Seats to Political Groups on Committees 2022-23 (excl. Gfd Joint Cttee)

Committee	Guildford Liberal Democrats	Residents for Guildford & Villages	Conservatives	Guildford Greenbelt Group	Labour	Green	Independent (Cllr Harwood)	Independent (Cllr Rooth)	Adjustment required
Total no. of seats on the Council (48)	17	14	8	4	2	1	1	1	
% of no. of seats on the Council	35.42%	29.17%	16.67%	8.33	4.17%	2.08%	2.08%	2.08%	
Notional number of seats on committees (Actual Total: 85)	30 30.11	25 24.79	14 14.17	7 7.08	4 3.54	2 1.77	2 1.77	2 1.77	-1
Corporate Governance & Standards Cttee (7 seats)	2 2.48	2 2.04	1 1.17	1 0.58	0 0.29	0 0.15	0 0.15	0 0.15	+1
Employment Committee (3 seats)	1 1.06	1 0.88	1 0.5	0 0.25	0 0.13	0 0.06	0 0.06	0 0.06	
Service Delivery EAB (12 seats)	4 4.25	4 3.5	2 2	1 1	1 0.5	0 0.25	0 0.25	0 0.25	
Strategy and Resources EAB (12 seats)	4 4.25	4 3.5	2 2	1 1	1 0.5	0 0.25	0 0.25	0 0.25	
Joint Appointments Committee (3 seats)	1 1.06	1 0.88	1 0.5	0 0.25	0 0.13	0 0.06	0 0.06	0 0.06	
Joint Governance Committee (6 seats)	2 2.13	2 1.75	1 1	1 0.5	0 0.25	0 0.12	0 0.12	0 0.12	
Licensing Committee (15 seats)	5 5.31	4 4.38	3 2.5	1 1.25	1 0.63	0 0.31	0 0.31	0 0.31	+1
Overview & Scrutiny Committee (12 seats)	4 4.25	4 3.5	2 2	1 1	1 0.5	0 0.25	0 0.25	0 0.25	
Planning Committee (15 seats)	5 5.31	4 4.38	3 2.5	1 1.25	1 0.63	0 0.31	0 0.31	0 0.31	+1
Total no. of seats on committees	28	26	16	7	5	0	0	0	+3

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PROPOSED Revised Calculation of the Numerical Allocation of Seats to Political Groups on Committees 2022-23 (inc. Gfd Joint Ctte)

Committee	Guildford Liberal Democrats	Residents for Guildford & Villages	Conservatives	Guildford Greenbelt Group	Labour	Green	Independent (Cllr Harwood)	Independent (Cllr Rooth)
Total no. of seats on the Council (48)	17	14	8	4	2	1	1	1
% of no. of seats on the Council	35.42%	29.17%	16.67%	8.33%	4.17%	2.08%	2.08%	2.08%
Notional number of seats on committees (Actual Total: 95)	34	28	16	8	4	2	2	2
Corporate Governance & Standards Committee (7 seats)	2	2	1	1	1	0	0	0
Employment Committee (3 seats)	1	1	1	0	0	0	0	0
Service Delivery EAB (12 seats)	4	3	2	1	0	1	0	1
Strategy and Resources EAB (12 seats)	4	3	2	1	1	1	0	0
Guildford Joint Committee (10 seats)	4	2	1	1	0	0	1	1
Joint Appointments Committee (3 seats)	1	1	1	0	0	0	0	0
Joint Governance Committee (6 seats)	2	2	1	1	0	0	0	0
Licensing Committee (15 seats)	6	5	2	1	0	0	1	0
Overview & Scrutiny Committee (12 seats)	4	4	2	1	1	0	0	0
Planning Committee (15 seats)	5	5	3	1	1	0	0	0
Total no. of seats on committees	33	28	16	8	4	2	2	2

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PROPOSED Revised Calculation of the Numerical Allocation of Seats to Political Groups on Committees 2022-23 (excl. Gfd Joint Ctte)

Committee	Guildford Liberal Democrats	Residents for Guildford & Villages	Conservatives	Guildford Greenbelt Group	Labour	Green	Independent (Cllr Harwood)	Independent (Cllr Rooth)
Total no. of seats on the Council (48)	17	14	8	4	2	1	1	1
% of no. of seats on the Council	35.42%	29.17%	16.67%	8.33%	4.17%	2.08%	2.08%	2.08%
Notional number of seats on committees (Actual Total: 85)	30	25	14	7	4	2	2	2
Corporate Governance & Standards Committee (7 seats)	2	2	1	1	1	0	0	0
Employment Committee (3 seats)	1	1	1	0	0	0	0	0
Service Delivery EAB (12 seats)	4	3	1	1	0	1	1	1
Strategy and Resources EAB (12 seats)	4	3	2	1	1	1	0	0
Joint Appointments Committee (3 seats)	1	1	1	0	0	0	0	0
Joint Governance Committee (6 seats)	2	2	1	1	0	0	0	0
Licensing Committee (15 seats)	6	5	2	1	0	0	1	0
Overview & Scrutiny Committee (12 seats)	4	3	2	1	1	0	0	1
Planning Committee (15 seats)	5	5	3	1	1	0	0	0
Total no. of seats on committees	29	25	14	7	4	2	2	2

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Council Report

Ward(s) affected: All

Council Report

Report of Joint Strategic Director: Transformation and Governance

Author: John Armstrong, Democratic Services and Elections Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 6 December 2022

Councillor David Goodwin

Executive Summary

Under the provisions of Section 85(1) of the Local Government Act 1972, if a councillor fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the authority, they shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.

Unfortunately, due to ongoing illness, Councillor David Goodwin has been unable to attend any meetings since 26 July 2022. To avoid Councillor Goodwin ceasing to be a councillor should he be unable to resume attendance at meetings before 26 January 2023, the Council is asked to agree the reason for his non-attendance.

Recommendation to Council

The Council is asked to agree that the reason for Councillor David Goodwin's failure to attend any meeting of the Council or any of its committees, since 26 July 2022 was due to his ill health.

Reason for Recommendation:

To comply with the requirements of Section 85 of the Local Government Act 1972.

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

1. Purpose of Report

- 1.1 To inform the Council of Councillor David Goodwin's continued absence from any meeting since the end of July 2022, and to ask the Council to agree the reason for his absence so that he may continue in office after six months' absence.

2. Background

- 2.1 Section 85 of the Local Government Act 1972 provides that if a councillor fails to attend any meeting of the Council, including committee and sub-committee meetings, and also Joint Committee meetings, throughout a period of six consecutive calendar months from the date of his last attendance, he ceases to

be a councillor unless the failure was due to some reason approved by the Council before the expiry of that period.

- 2.2 Councillor Goodwin last attended a meeting on 26 July 2022 (Full Council meeting).
- 2.3 Councillor Goodwin is managing the side effects of treatment and ongoing medical appointments, which has made it physically difficult for him to attend Council meetings in person. He therefore seeks Council's agreement to this as being the reason for his non-attendance.

3. Financial Implications

- 3.1 There are no financial implications arising from this matter.

4. Legal Implications

- 4.1 The legal implications are as stated in paragraph 2.1 above. In order to ensure that Councillor Goodwin remains in office as a councillor, the Council must agree a reason for his failure to attend any meetings before the expiry of six months since his last attendance.

5. Human Resource Implications

- 5.1 There are no human resource implications arising from this matter.

6. Equality and Diversity Implications

- 6.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
- 6.2 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

7. Climate Change/Sustainability Implications

- 7.1 No climate change/sustainability implications arise from this report.

8. Conclusion

- 8.1 In order to ensure that Councillor David Goodwin remains in office as a councillor, the Council must agree a reason for his failure to attend any

meetings since 26 July 2022. His continuing ill health is clearly the reason for that failure.

9 Background Papers

None

10 Appendices

None

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Council report

Ward(s) affected: All

Report of Strategic Director: Transformation and Governance

Author: John Armstrong, Democratic Services and Elections Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 6 December 2022

Selection of Mayor and Deputy Mayor: 2023-24

Executive Summary

The Council is asked to consider nominations for the Mayoralty and Deputy Mayoralty of the Borough for the municipal year 2023-24. The constitutional changes adopted by the Council in April 2014 provide that the Council normally elects the Deputy Mayor appointed at the annual meeting of the Council as Mayor at the next succeeding annual meeting. The Council will therefore be requested to consider formally the nomination of the current Deputy Mayor, Councillor Masuk Miah for the Mayoralty of the Borough for 2023-24, subject to Councillor Miah's re-election to the Council on 4 May 2023.

Group leaders were asked to submit nominations for the Deputy Mayoralty for 2023-24 by no later than 18 November 2022. None had been received. Any late nominations that are received will be reported on the Order Paper. At its meeting held on 24 November 2022, the Executive considered this report and endorsed the recommendation below.

Recommendation to Council:

That, subject to the outcome of the Borough Council elections in May 2023, the Deputy Mayor, Councillor Masuk Miah be nominated for the Mayoralty of the Borough for the 2023-24 municipal year.

If there are any suitable nominations received by the time of the Council meeting, the Council will be invited to consider and approve the nomination of a councillor for the Deputy Mayoralty of the Borough for the 2023-24 municipal year, subject to the outcome of the Borough Council elections in May 2023.

Reason for Recommendation:

To make early preparations, subject to the outcome of the Borough Council elections in May 2023, for the selection of the Mayor and Deputy Mayor for the municipal year 2023-24.

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

1 Purpose of Report

- 1.1 To ask the Council to consider nominations received for election of Mayor and appointment of Deputy Mayor for the municipal year 2023-24.

2 Strategic Priorities

- 2.1 Ensuring that the process for selection of Mayor and Deputy Mayor is undertaken publicly is consistent with the Council's desire to be open and accountable to its residents.

3. Background

Selection of Mayor: 2023-24

- 3.1 The constitutional changes adopted by the Council in 2014 in respect of the Mayoralty provide that the Council normally elects the Deputy Mayor appointed at the annual meeting of the Council as Mayor at the next succeeding annual meeting. The Council is therefore requested to consider formally the nomination of The Deputy Mayor, Councillor Masuk Miah for the Mayoralty of the Borough for 2023-24.

Selection of Deputy Mayor: 2023-24

- 3.2 Group leaders were asked to submit nominations in respect of the appointment of Deputy Mayor for 2023-24. At the time the agenda for this meeting was published, no nominations had been received. Any nominations that are received will be reported at the meeting.
- 3.3 The Council is asked to consider this matter at this meeting to enable early preparations to be made for the formal election of the Mayor and appointment of Deputy Mayor for 2023-24 at the Council's annual meeting on 10 May 2023. This gives them time to make the necessary adjustments to their personal and professional lives in order to prepare for their forthcoming mayoral/deputy mayoral years and will provide plenty of time to enable appropriate training or refresher training to be given to the respective nominees.
- 3.4 Any such election as Mayor or appointment as Deputy Mayor will, of course, be subject to the nominees' re-election as councillors on 4 May 2023.
- 3.5 If no nominations for Deputy Mayor are received, the Council is asked to agree to defer consideration of the matter to the meeting of the Council to be held on 8 February 2023.

4. Financial Implications

- 4.1 The costs associated with the selection of a Mayor and Deputy Mayor will be met from within existing budgets.

5. Legal Implications

- 5.1 The Council is required annually to elect a Mayor and appoint a Deputy Mayor in accordance with Sections 3 and 5 respectively of the Local Government Act 1972. The Local Government Act 2000 also provides that the Council's chairman or vice-chairman (the Mayor and Deputy Mayor) cannot serve on the Executive at the same time.

6. Human Resources Implications

- 6.1 There are no human resource implications arising from this report.

7. Background Papers

None

8. Appendices

None

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Council Report

Ward(s) affected: n/a

Report of Joint Strategic Director: Transformation and Governance

Author: John Armstrong (Democratic Services and Elections Manager)

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Date: 6 December 2022

Appointment of Council Representative to the Surrey Police and Crime Panel: 2022-23

Executive Summary

The Council, at its extraordinary meeting on 9 June 2022, appointed Councillor Julia McShane as its representative to serve on the Surrey Police and Crime Panel until May 2023.

On 23 November 2022, Councillor McShane gave notice in writing that she wished to stand down from this appointment, which means that the Council will need to appoint a councillor to represent the Council on the Panel until May 2023.

Recommendation to Council:

That, having regard to the person specification referred to in Appendix 1 to this report, the Council appoints a councillor representative to the Surrey Police and Crime Panel for a term of office expiring in May 2023.

Reason for Recommendation:

To enable the Council to comply with the requirements of the Police Reform and Social Responsibility Act 2011.

1. Purpose of report

- 1.1 This report asks the Council to appoint a councillor to represent the Council on the Surrey Police and Crime Panel for the remainder of the 2022-23 municipal year.

2. Surrey Police and Crime Panel

- 2.1 The role of the Surrey Police and Crime Panel is to provide a check and balance against the performance of Surrey's Police and Crime Commissioner by scrutinising their actions and decisions in the exercise of their functions. The Panel supports and challenges the Commissioner, acting as a critical friend.
- 2.2 The Panel's main functions are as follows:

- Review the draft police and crime plan, or draft variation, given to the panel by the Commissioner and make a report or recommendations on the draft plan or variation to the Commissioner
 - Review the Commissioner's annual report and make a report or recommendations on the report to the Commissioner
 - Review or scrutinise decisions made, or other action taken, by the Commissioner in connection with the discharge of the Commissioner's functions.
 - Publish any report and recommendations made to the Commissioner
 - Review certain senior appointments made by the Commissioner
 - Review chief constable appointments, with the power to veto the appointment with a two thirds majority vote.
 - Review and report on the Commissioner's proposals to remove a chief constable.
 - Review the Commissioner level of precept, with the power to veto the precept with a two thirds majority vote
 - Suspend the Commissioner on their being charged with certain criminal offences.
 - Appoint an acting Commissioner if necessary.
 - Initial handling and informal resolution of complaints about the conduct of the Commissioner/Deputy Commissioner
- 2.3 The Council, at its Selection Meeting in May 2019, following the Borough Council elections appointed Councillor Fiona White as its representative to serve on the Surrey Police and Crime Panel for a four-year term ending in May 2023. However, on 23 May 2022, Councillor White stood down from this appointment, and the Council at its extraordinary meeting on 9 June 2022 agreed to appoint Councillor Julia McShane to represent the Council on the Panel until May 2023.
- 2.4 On 23 November 2022, Councillor McShane gave notice of her wish to stand down from this appointment. The Council is now invited to consider making a further appointment to the Police and Crime Panel for the remainder of the current municipal year.
- 2.5 It is important that, in making this appointment, the Council considers the skills, knowledge and experience required to discharge the functions of the Panel. A person specification, outlining the key competencies and skills required is set out in **Appendix 1** to this report and should be taken into account when the Council makes an appointment to the Panel for the remainder of the 2022-23 municipal year. All councillors were notified of the vacancy on 23 November and nominations were invited for consideration at this meeting.
- 2.6 The next meeting of the Panel (the Budget Meeting) is on Friday 3 February 2023 at 10.30 am at Woodhatch Place, Reigate. The next scheduled meeting following the Budget Meeting will take place on Tuesday 18 April 2023 at 10.30 am.

3. Legal implications

- 3.1 The appointment of police and crime panels and specifically, provision for relevant local authorities within a police area to nominate persons to be members of a police and crime panel is set out in Part 2 of Schedule 6 to the Police Reform and Social Responsibility Act 2011.
- 3.2 The panel is, in effect, a joint committee of all authorities in the police area made up of both appointed and co-opted members. In a police area with more than 10 authorities, appointed members will be equal in number to the number of local authorities in the area, with one from each authority. Therefore, in Surrey, this equates to 12 appointed

members. The Constitution of the Surrey Police and Crime Panel can be viewed via the following link: [Surrey Police and Crime Panel Constitution](#).

4. Financial Implications

4.1 There are no financial implications arising from this report.

5. Human resource Implications

5.1 There are no human resource implications arising from this report.

6. Background Papers

None

7. Appendices

Appendix 1: Person Specification for Police & Crime Panel Member

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Person Specification for Police & Crime Panel Member

Competencies

- *Strategic thinking*: the ability to rise above detail and see problems from a wider, forward-looking perspective.
- *Scrutiny and challenge*: the ability to rigorously scrutinise and challenge constructively, using appropriate data and evidence.
- *Openness to change*: challenging accepted views in a constructive way
- *Analytical ability*: interpreting and questioning complex material including financial, statistical and performance information.
- *Communication*: explaining situations clearly, together with a willingness to listen to and represent the views of all sections of the community on policing issues.
- *Effective time management*: identifying priorities and making the most productive use of one's own and others' time.

Personal Skills & Qualities

- *Respect for others*: capacity to treat all people fairly, with respect and valuing diversity.
- *Integrity*: embracing high standards of conduct and ethics.
- *Enthusiasm and drive*: willingness to learn and develop to enhance one's knowledge and understanding.
- *Team Working*: playing an effective role through listening, persuading and showing respect for the views of others.
- *Self-confidence*: seek out and listen to the views of others and play an active part in discussions and debates.

All Panel Members, both appointed and co-opted, are expected to carry out their responsibilities in accordance with the Nolan Principles of standards of conduct in public life.

Panel Members will be expected to attend all meetings of the Panel (approx. 4-6 a year) and any sub-committees or groups to which they are appointed, as well as any relevant learning and development activities.

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Council Report

Ward(s) affected: n/a

Report of Strategic Director Transformation and Governance

Author: Claire Beesly (Senior Legal Specialist)

Tel: 01483 444144

Email: claire.beesly@guildford.gov.uk

Date: 6 December 2022

Appointment of director to Guildford Sportsground Management Company Limited

Recommendation to Council:

That the Council approves the appointment of Kelvin Mills (Executive Head of Commercial Services) to the Board of Directors for Guildford Sportsground Management Company Limited.

Reason for Recommendation:

To comply with the Constitutional requirement for full Council to approve appointments of individuals to any office other than an office in which he or she is employed by the authority.

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

1. Purpose of report

- 1.1 This report asks the Council to consider the appointment of Kelvin Mills, Executive Head of Commercial Services, to the Board of Guildford Sportsground Management Company Limited.

2. Background

- 2.1 Under Part 3 of the Council's Constitution (Responsibility for Functions), various functions are listed as functions which are not to be the responsibility of the Council's Executive; and other functions which may, but need not be, the responsibility of the Executive ("local choice functions"). Appendix II to Part 3 of the Constitution, lists the various local choice functions and specifies whether they are to be discharged by the Leader/Executive or full Council. The following function is reserved to the Council for decision:

"The appointment of any individual:

- (a) to any office other than an office in which he is employed by the authority;
- (b) to any body other than:

- (i) the authority;
 - (ii) a joint committee of two or more authorities; or
- (c) to any committee or sub-committee of such a body, and the revocation of any such appointment.”

3. Proposed Officer appointment to the Board of Guildford Sportsground Management Company Limited.

- 3.1 Guildford Sportsground Management Company Limited is a company set up to run Woodbridge Road sportsground. Guildford Borough Council is required to appoint three directors to the Board and for this purpose has already appointed Ian Doyle and Jonathan Sewell. It is now proposed that Kelvin Mills, Executive Head of Commercial Services is appointed to the Board.

4. Legal implications

- 4.1 The Articles of Association for Guildford Sportsground Management Company Limited require there to be a minimum of seven directors, three of whom need to be appointed by Guildford Borough Council. There are no other specified criteria to be eligible for appointment.
- 4.2 The Council should ensure that in appointing directors to the Board there is no conflict of interests and that they are satisfied that the proposed director has the requisite skills and experience required for the role.

5. Financial Implications

- 5.1 There are no significant financial implications arising from this report.

6. Human resource Implications

- 6.1 There are no significant human resource implications arising from this report.

7. Background Papers

None

8. Appendices

None

EXECUTIVE

22 September 2022

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

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

*Present

The Deputy Mayor, Councillor Masuk Miah, and Councillors Christopher Barrass, Ruth Brothwell, Angela Gunning, Gillian Harwood, Ramsey Nagaty, George Potter, Tony Rooth, Will Salmon, Deborah Seabrook, and Pauline Searle were also in attendance.

EX30 APOLOGIES FOR ABSENCE

There were no apologies for absence.

EX31 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of interest.

EX32 MINUTES

The minutes of the meeting held on 25 August 2022 were confirmed as a correct record. The Chairman signed the minutes.

EX33 LEADER'S ANNOUNCEMENTS

The Leader thanked everybody that helped organise and attend the events of the past 10 days as we mourned the passing of H M Queen Elizabeth II and mark the accession of King Charles III, with particular thanks to the Mayor, Kate Foxtan, and the Civic team.

The Leader reminded councillors that the Household Support Fund was still open for applications until 30 September 2022. Residents could submit one application per household and a maximum grant of up to £300 pounds per household was available. Priority would be given to those with high needs such as households with children and pensioners. More information and how to apply could be found on the Council's website.

The Leader also reminded councillors that the deadline for applications to the next round of crowdfunding under Crowdfund Guildford was 28 September 2022. Most recently, this source of funding had been used to fund repairs to the war memorial in Merrow which hopefully should be completed in time for Remembrance Sunday.

The Leader noted that the Council would be promoting its second Car Free Day on Sunday 25 September from 10am to 4.30pm

Finally, the Leader commented that the Guildford Design Award exhibition scheduled to take place at the Guildhall had to be cancelled following the death of H M Queen Elizabeth II. The travelling exhibition of awards was now moving around the borough's villages on various dates in September and October.

EX34 SHAPING GUILDFORD'S FUTURE (FORMERLY GERP) STAGE 3 FUNDING

The Leader of the Council preferred to take the report as the first substantive item of business and referred the Executive to the Supplementary Information Sheet which confirmed that proposed decisions in the report to proceed to Stage 3, the transfer of £3.070 million from the provisional to the approved capital programme to enable the Council to deliver Stage 3 of the programme, together with the accompanying delegated authority were, appropriately and lawfully, decisions for the Executive, not full Council, to take.

Appendix 6 to the report (Stage 3 – Deliverables) which had been marked “to follow” in the report had been published the day before the meeting. A copy of Appendix 6 was attached to this Supplementary Information Sheet.

Before this matter was considered, a presentation was made to the Executive delivered by the Lead Councillor for Regeneration, Councillor John Rigg; the Joint Strategic Director of Place, Dawn Hudd; the Regeneration Lead Officer, Michael Lee-Dixon; along with private sector partners Andreas Markides and David Leonard Architects. A copy of the presentation had been circulated to all councillors earlier in the day.

The meeting heard from the Lead Councillor for Regeneration that the Shaping Guildford's Future (SGF) project was an holistic initiative designed to address the key challenges facing the town centre in terms of housing need, areas of flood risk, traffic congestion and opportunities for commercial growth. Over the past three years the Council had undertaken work to develop the masterplan including consultation with the community and stakeholders with the aim of reinvigorating the town by ‘opening up’ the riverside; improving alternative, sustainable and affordable transportation, as well as making the centre a more attractive place to live, work and visit. The masterplan included several separate workstreams that needed to be developed in a simultaneous and complementary way.

It was noted that, during recent years, major commercial partners had withdrawn from Guildford and in some circumstances had left buildings that were owned by the Council itself, such as Liongate. Guildford was described as not currently competitive enough to neither retain nor attract new business due to a combination of a lack of appropriate housing and commercial space. There was a lack of starter homes, bedsits, studios and 1 and 2-bedroom affordable homes. The masterplan could deliver up to 2,600 such homes within a 15-minute walk to the town centre with all its amenities and no need for car ownership in contrast to other greenbelt developments.

The masterplan strategy had identified four ‘zones’ in the town centre which might be delivered separately to one another as opportunities arose and with differing development timescales over a five to twenty-year period. It was noted that the masterplan could deliver the holistic benefit to the town that ad-hoc development could not. The Council itself owned much of the freehold land within the zoned areas but would work with partners to deliver its objectives. The Lead Councillor for Regeneration

stressed that the Council had a duty to protect the greenbelt areas of the borough by firstly maximising the potential of brownfield sites, especially in the town centre.

The Joint Strategic Director of Place, Dawn Hudd emphasised the positive attractions of Guildford as the county town with a unique character and a GDP contribution of £5.5 billion per year. The town was an attractive place to live and work, but the risk of stagnation had to be addressed. The Guildford economy had been flat lining for the past 5 years and it was important to take action to ensure this did not continue. It was important to address the health and wellbeing of residents, climate change impacts and the importance of biodiversity and the environment. Equally important was to build communities and not just houses. Those matters could only be addressed within a strategic plan that built in resilience, quality and sustainability. The masterplan was supported by extensive community and stakeholder consultation. Further development of the masterplan would be undertaken by the Council with the support of private sector partners. It was noted that collaboration was key to success and the Council would be working with other public sector bodies including the Environment Agency, National Rail, National Highways and Surrey County Council to move the masterplan forwards. Surrey County Council had appointed a designated officer to support the SGF Masterplan. The masterplan supported all the Council's corporate priorities.

Regeneration Lead Officer, Michael Lee-Dixon set out the scale of the consultation response which ran into many thousands through feed-back via various media. The responses were generally in favour of the Council's proposals and of 'opening up' the riverside, positive leadership with clear strategic ambition was also welcomed. The consultation feedback report was included in the appendices and available on the Shaping Guildford's Future website.

There had been extensive research into the potential strengths and weaknesses of the town centre undertaken in both Stage 1 and 2 by private sector partners JLL and the University of Surrey. A major commercial driver was affordable housing to buy or rent within a ten-minute walk of the train station. In addition, commercial units close to public transport links and amenities at a price that could attract a variety of suppliers was a key requirement. Co-working and flexible office was a rising demand following the pandemic and it was noted that a new town centre business district could accommodate a quarter of a million square feet of commercial office space. The pressure on retail following the pandemic was recognised and it was suggested that Guildford could nurture independent retailers and experience related offers. Again, it was noted that with regards to hospitality contracting following the pandemic, Guildford had a strong independent sector that should be encouraged. In terms of leisure, research indicated there was demand for a new four-star hotel and it was noted that budget operators had recovered well following the pandemic. Hotel demand would follow and not lead other development. Regarding traditional employment space there was strong demand and low vacancy rates in Guildford. The research outcomes report was included in the appendices and available on the Shaping Guildford's Future website.

David Leonard set out the vision for place. It was noted that several successful locations had utilised heritage and waterfront settings to key advantage such as Richmond, Cambridge and Amsterdam. A vision for Guildford could include new waterfront settings amongst new public squares and greened areas. The challenges facing Guildford included flooding, congestion, road traffic accidents, lack of town centre greenspace, lack of a civic square, limited cycle and pedestrian connectivity and

lack of brownfield sites. Addressing those challenges would be strategic with supporting policy to create the reality in which the vision of place could be realised. Guildford had a history of river flooding which affected around 160 homes and businesses. The meeting heard that the Council had entered into a collaboration with the Environment Agency to tackle the existing flood vulnerability and to create defences to protect any new development. An outline business case would be in place by the end of 2023. Flood protection had been set out on a zonal basis across the masterplan.

Andreas Markides set out the sustainable transport proposals for the masterplan. It was noted that a high quality of living attracted economic growth. Reducing the dominant congestion in the town centre was a key element of the masterplan. The transport strategy had three key objectives; to facilitate town centre growth, to reduce carbon emissions and to improve health. Guildford had the highest levels of road traffic accidents in the county and was the sixth most congested town centre nationwide. A wide range of data from destination surveys had been collected to inform the traffic modelling exercise. It was noted that 44% of those travelling to the town centre by car came from just 2.6 kilometres away. Should those travellers walk or cycle then a large amount of traffic would be removed. There were three options presented for consideration in terms of redesigning the gyratory. All three had the same objectives, to remove the one-way system, 'opening up' the river to the town centre, removal of certain lanes used by cars in favour of buses and cycle lanes. Finally, all three options would retain access to the key destinations in the town which were the centre itself, the bus station and the train station. To achieve those outcomes, strategic elements such as 'park and ride', park and walk', active travel, road charging mechanisms and traffic diversions. In conclusion, the masterplan proposals would need ongoing support from Surrey County Council and the public.

David Leonard developed the concept of the 'sustainable movement corridor' in terms of linking the town centre to the north, south, east and west of the town by bicycle and on foot which included the proposed new town squares and pedestrian bridges. Many of the routes would be focused on the 'Guildford Greenway' which was a greened route following the course of the river. The 'Greenway' would link the four new development zones, Millmead and Millbrook, Town Wharf, Bedford Wharf and Woodbridge Meadows. These zones would be protected from flooding. The proposals for each zone including new housing, squares and greening were described and set out in the accompanying slides. The social and community benefits, especially of a new town square for Guildford, were set out.

The presentation concluded with the next steps which were the Stage 3 deliverables. The funding required to achieve the strategic objectives would need grant funding. The role of the Council would be as an enabler working with private sector engagement to support the delivery of the masterplan over the coming 20-years. A more detailed area action plan would be developed by the Council's Planning team including retail and employment studies informed by emerging changes following the pandemic. The area action plan would focus growth in the areas where walking and cycling could be prioritised. The Stage 3 timeline would run from October 2022 to December 2023 to run in parallel with the development of the Environment Agency's business case.

The report before the Executive sought an endorsement of Stage 2 of the Shaping Guildford's Future (SGF) Masterplan Strategy and authorisation to proceed to Stage 3. Stage 3 required the transfer of provisional capital funding to approved; closer working relationships and agreements with partners and other agencies; collecting the evidence

base for planning policy to reach a point at which external grant funding could be applied for.

There was a discussion regarding the detail of the public consultation undertaken to date in terms of the assumptions within the masterplan that development locations as set out would be acceptable to local people. The Leader of the Council commented that in due course there would be a Regulation 18 and 19 consultation process of the masterplan that would drill down to that level of detail. It was noted that future markets, national policies and other external factors could not be foreseen and could affect the plans as set out currently.

The Council was currently working to develop an Economic Development Strategy for Guildford in addition to the masterplan and it was confirmed that both pieces of work would inform one another and be completely aligned.

The meeting heard that any housing built as a part of the masterplan would be counted as a part of the delivery commitment in the Local Plan and was not additional to that number. There was concern expressed about water and electricity provision for any new development. It was considered that this challenge was likely be a matter for the developer of the site, rather than the Council.

Members of the Executive expressed support for the masterplan with recognition that it was a vision of what was possible rather than a picture of what would eventually happen given inevitable constraints that would arise. The importance of governance around the project was noted and it was suggested that during Stage 3 there should be a review of governance, an identification of key milestones at which progress could be measured and a calculation of the risk to the project. The Leader of the Council was content to add a recommendation to include this proposal. Consequently, the Executive

RESOLVED:

- (1) To endorse the Stage 2 Shaping Guildford's Future report and approve proceeding to Stage 3.
- (2) To approve the transfer of £3.070 million from the provisional to the approved capital programme to enable the Council to deliver Stage 3 of the programme.
- (3) To authorise the Joint Strategic Director of Place, in consultation with the Lead Councillor for Regeneration, to finalise Heads of Terms, Memorandums of Understanding, Terms of Reference, negotiate, sign and complete legal agreements relating to the Shaping Guildford's Future programme.
- (4) To authorise the Joint Strategic Director of Place, in Consultation with the Lead Councillor for Regeneration, to enter into contracts and legal agreements connected with the Shaping Guildford's Future project as may be necessary at reasonable costs within the approved budget.
- (5) To authorise the Joint Strategic Director of Place, in consultation with the Lead Councillor for Regeneration, to review all governance arrangements in relation to the Shaping Guildford's Future programme.

Reason(s):

- To support the delivery of the Council's Corporate Plan (2021-2025) priorities, by delivering a proactive strategy to address the economic and physical constraints facing the town.
- To ensure that governance arrangements around the Shaping Guildford's Future programme remain fit for purpose

EX35 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.

EX36 CORPORATE REGULATORY ENFORCEMENT POLICY

The Executive considered a report detailing the review of the Corporate Enforcement Policy that was originally implemented in 2018. It was good practice for the Council to review and update the Policy periodically.

The main proposed change to the policy was reflected in Section 6 of the report which introduced a graduated enforcement approach to Public Space Protection Orders (PSPO).

The draft policy at Appendix 1 to the report had been out to public consultation during April 2022 for 3 weeks. The outcomes of the consultation were set out in Appendix 3 for the Executive's consideration. Having considered the report, the Executive

RESOLVED:

That the revised Regulatory Enforcement Policy, as set out in Appendix 1 to the report submitted to the Executive, be adopted.

Reason(s):

The policy provided a clear framework for the way the Council undertook its regulatory functions and was in line with The Legislative and Regulatory Reform Act 2006 which advocated that enforcement should be carried out in a transparent, accountable, proportionate and consistent manner that was targeted only where action was needed.

EX37 EXPERIENCE GUILDFORD: BUSINESS IMPROVEMENT DISTRICT (BID) BALLOT

A Business Improvement District (BID) was a defined area in which a levy was charged on all business rate payers in addition to the business rates bill. This levy was used to develop projects which would benefit businesses in the local area. The BID proposer in Guildford was Experience Guildford. Experience Guildford was required to develop a

proposal and submit this to the Council, along with a business plan. The proposal set out the services to be provided and the size and scope of the BID. It also set out who was liable for the levy, the amount of levy to be collected and how it was calculated.

Experience Guildford was first successfully voted in by ballot in October 2012 and with strong support the BID was renewed at ballot again in 2017. The current term would come to an end on 31 January 2023, at which time all activities would cease if not renewed.

The next BID renewal ballot would take place in October 2022. Guildford Borough Council had 27 properties subject to business rates in the BID area and therefore had 27 votes in the ballot. The BID levy of 1%, would raise up to £600,000 per annum. The report before the Executive sought support to cast the Council's votes in favour of the BID renewal.

The Lead Councillor for Economy introduced the report and praised the Experience Guildford team for their work especially during and following the pandemic, and if successful, looked forward to working together again. The Executive agreed with the Lead Councillor's recommendations and consequently,

RESOLVED:

- (1) To endorse the Experience Guildford BID Business Plan 2023-28, as set out in Appendix 2 to the report submitted to the Executive.
- (2) To use the Council's 27 votes to vote in favour of the proposal to renew the experience Guildford Business Improvement District (BID) for Guildford town centre for 2023-2028.
- (3) To delegate the decision to vote in the BID ballot to the Leader of the Council.
- (4) To note the Council's business rates levy of £38,289 per annum for 2023-28, to be accommodated within the existing overall budget.

Reason(s):

To secure the long-term economic prosperity of the Town Centre and to continue the effective management partnership developed over the previous 10 years.

EX38 BUDGET PRESSURES 2022-23 AND MEDIUM-TERM FINANCIAL PLAN

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 Medium-Term Financial Plan (MTFP). Several factors had affected the Council's budget since it was approved in February 2022, most of which had an adverse impact. The financial outturn in 2021/22 on the general fund and HRA was positive overall, however, 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, presented a very challenging position for the Council.

The Lead Councillor for Resources introduced the report which was described as a 'work in progress'. Officers were projecting a net overspend on the general fund

revenue account of £3.1 million. A significant proportion related to inflationary and cost of living pressures, most of which was utilities costs. Reports that the National Insurance increases had been withdrawn by Government was welcomed, although detail about any specific support for councils was still awaited.

The report also noted that officers were investigating a potential discrepancy in the staff cost budget which appeared to have originated during the transition period of phase 2 of the Future Guildford programme. This could materially impact both the general fund and the HRA in 2022/23 and future years.

A more detailed financial monitoring report would be considered by the Corporate Governance and Standards Committee on 29 September and comments arising would help inform the mid-year review of the MTFP. A similar exercise was required in 2021/22 and was successful as the overall position at year end was £138,000 under budget.

Consequently, the Executive

RESOLVED:

- (1) To note the emerging position against the 2022/23 budget and the impact on the Council's finances in future years.
- (2) To approve the high-level action plan set out in the report and to identify any further measures that should be taken.
- (3) To instruct officers to undertake a comprehensive mid-year review of the 2022/23 budget and to present this, and a revised Medium Term Financial Plan, to Council at its meeting on 6 December 2022.

Reason(s):

To ensure councillors are aware of the emerging budget pressures.

EX39 REVIEW OF COUNCILLORS' ALLOWANCES - PROPOSED APPOINTMENT OF A JOINT INDEPENDENT REMUNERATION PANEL

The Council was required to conduct the next review of councillors' allowances in 2023 following the local elections. Under The Local Authorities (Members' Allowances) (England) Regulations 2003 the Council must appoint an independent remuneration panel to make recommendations as to the type and level of allowances to be included in the next scheme of allowances for councillors. The Council had a duty to have regard to the panel's recommendations.

Waverley Borough Council was also committed to conduct a review of allowances for its councillors following next year's local elections.

The Executive considered a report setting out a proposal to establish a joint independent remuneration panel, and sought approval of its proposed terms of reference, a process for the recruitment of members to the Joint Independent Remuneration Panel (including the suggested re-appointment of three persons who had served previously on the independent remuneration panels for both Guildford and

Waverley), level of honorarium to be paid to each panel member, and a proposed timetable for the appointment process and for the review itself next year.

It was noted that Waverley Borough Council had delegated authority to its Monitoring Officer to establish an Independent Remuneration Panel. Waverley's Monitoring Officer would be invited to agree the process for the appointment of a Joint Independent Remuneration Panel as described in the report. The Executive

RESOLVED:

To recommend to Council (11 October 2022):

- (1) That the Council agrees to establish jointly with Waverley Borough Council a Joint Independent Remuneration Panel to conduct a review and make recommendations to each council on their respective scheme of allowances for councillors in 2023.
- (2) That the draft terms of reference of the Joint Independent Remuneration Panel, attached as Appendix 1 to the report submitted to the Executive, be approved.
- (3) That, subject to confirmation of their continued eligibility for appointment, Vivienne Cameron, Dennis Frost, and Gordon Manickam be appointed to the Joint Independent Remuneration Panel for a period of up to four years commencing with the 2023-24 municipal year.
- (4) That the Joint Executive Head of Legal and Democratic Services be authorised to advertise for candidates from the general public and a wide range of organisations, including the local business community and voluntary organisations, for the appointment of up to two other members of the Joint Independent Remuneration Panel to serve for a period of up to four years commencing with the 2023-24 municipal year, and together with the Leaders and Deputy Leaders of both councils to shortlist, interview, and recommend for selection up to two nominees for appointment to the Joint Independent Remuneration Panel.
- (5) That the nominees for appointment to the Joint Independent Remuneration Panel referred to in paragraph (4) above be subject to formal approval by the Council at its full council meeting in February 2023.
- (6) That the honorarium to be paid to each Panel member be set at £1,500, the cost of which shall be divided equally between the two councils.
- (7) That the proposed timetable for appointment of the Joint Independent Remuneration Panel and review of Guildford's allowances set out in paragraph 4.13 of the report, be approved.
- (8) That provision be made in the 2023-24 revenue budget of £6,200 for the review of councillors' allowances.
- (9) That the Joint Monitoring Officer be authorised to make all arrangements for the establishment and appointment of future independent remuneration panels,

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including approval of terms of reference, honoraria for panel members, and timetables for appointment and reviews of allowances.

Reason:

To comply with the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003.

EX40 DRAFT TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS FOR 2023-24

The Executive considered the proposed timetable of meetings for the municipal year 2023-24. The dates had been shared with Waverley Borough Council to ensure there were no conflicts. Accordingly, the Executive

RESOLVED:

To recommend to Council (11 October 2022):

That the proposed timetable of Council and Committee meetings for the 2023-24 municipal year, as set out in Appendix 1 to the report submitted to the Executive, be adopted.

Reason:

To assist with the preparation of individual committee work programmes.

The meeting finished at 9.25 pm

Signed

Date

Chairman

EXECUTIVE

27 October 2022

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

* Councillor Tim Anderson
* Councillor Tom Hunt
* Councillor John Redpath

* Councillor John Rigg
Councillor James Steel
* Councillor Cait Taylor

*Present

Councillor Ramsey Nagaty was in remote attendance.

EX41 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Joss Bigmore, Deputy Leader of the Council and Councillor James Steel, Lead Councillor for Environment.

EX42 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of interest.

EX43 MINUTES

The minutes of the meeting held on 22 September 2022 were approved as a correct record. The Chairman signed the minutes.

EX44 LEADER'S ANNOUNCEMENTS

The Leader of the Council made the following announcements.

Community Services continued to provide borough-wide support to residents. The Community Fridge and Thrive at the Hive provided food, household items and clothing. For those residents unable to reach the Hive there was a 'Bundle and Delivery' service or selected items could be collected on behalf of residents. Pop-up support events were being organised across the borough. Community groups might request a pop-up event for their area by contacting Community Services. There was also assistance available to connect residents with other support agencies and food banks operating across the borough. There would be a 'Cost of Living Crisis' forum in early November involving partner agencies to ensure support was available across the borough. More information regarding services offered by the Council was available on the Council's website and Surrey County Council's website.

[Help with the cost of living - Guildford Borough Council](#)

[Cost of Living financial support available - Surrey County Council \(surreycc.gov.uk\)](#)

Community Services could be contacted directly by telephone 01483 444150 or by email community.wellbeing@guildford.gov.uk

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Guildford Fire Station's Veteran's Hub had been open since 2019 as a regular drop-in venue to provide support for ex-service personnel and retired blue-light colleagues. Special dates coming up for the Hub were a Remembrance tea on Saturday 12 November from 4-6pm, to include a one-minute's silence and the Last Post and on Thursday 8 December from 7-9pm there would be a Hub Open Evening including a meal for those unable to attend the daytime sessions.

Following the recent Tillingbourne by-election, the Leader welcomed new member Councillor Richard Morris to the Council.

There were updated proposals for the Guildford Park Road site which would be on display next month at Grace Church, Guildford Park Road, Guildford GU2 7NF on Monday 7 November from 3-7pm and on Tuesday 8 November from 1:30-5:30pm. There would be a webinar presentation on Thursday 3 November from 6-7pm. Registration was available to receive more updates from,

www.guildfordparkroad.co.uk

Guildford Park Road would provide a range of much needed housing for local people to rent and buy. The housing would be energy efficient and well located near to the town and public transport.

The Farmers' Market was on Tuesday 1 November and every first Tuesday of the month.

There would be a Firework Fiesta on Saturday 5 November at Stoke Park run by the Guildford Lions Club. The event would open at 6pm with fireworks from 8:30pm. All proceeds would be directed to local charities and the Prostate Project. There would be live music, children's entertainment and food and drink available and free parking. Tickets were available from www.seetickets.com

Remembrance Sunday was on 13 November and the Council's event would start at 9am on the High Street. More information and a timetable were available from the Civic Secretary. civicsecretary@guildford.gov.uk

The Mayor's 'Wine Bluff' would be held on 19 November from 7:45pm at the Royal Grammar School. Tickets were available from the Civic Secretary. Funds raised would be directed to Challengers, the Mayor's chosen charity. Teams were of 8-10 players and tickets were £35 per person.

EX45 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.

EX46 CAPITAL AND INVESTMENT OUTTURN REPORT 2021-22

The annual outturn report included capital expenditure, non-treasury investments and treasury management performance for 2021-22.

The comments arising from the Corporate Governance and Standards Committee held on 29 September 2022 were set out in the Supplementary Information Sheet.

The Lead Councillor for Resources introduced the report.

There had again been slippage on capital projects and there was a Capital Programme outturn of £40 million compared to the original budget of £148 million and a revised budget of £142 million. Consequently, there was a reduction in the minimum revenue provision of £1.38 million against a budget on £1.5 million. At year end there was £152 million in investments compared to £309 million in borrowing.

Overall, there was a satisfactory performance with some high returns. The lower yield on investments was offset by higher interest accrued by retained cash due to programme slippage.

The Council had taken out its first Public Works Loan Board (PWLB) local infrastructure rate loans for Weyside Urban Village of £22.8 million. The interest rate on those loans would be capitalised so that the borrowing could be repaid from capital receipts from land sales as a part of the scheme.

Some Housing Revenue Account (HRA) reform loans had become payable, and the Council had repaid a £45 million loan from the HRA reserves.

Part of the Council's M&G funds had been redeemed with a gain of £1.4 million which had contributed towards balancing the 2021-22 budget.

Given there had been slippage again on capital projects it was proposed there would be a more pragmatic approach to budget setting in anticipation of what might realistically be achieved alongside a regular monitor of expenditure throughout the next financial year. Consequently, the Executive,

RESOLVED:

(1) To approve the removal of the following schemes from the capital programme:

- Albury closed burial grounds £57,000 in 2022/23
- Mill Lane Flood Protection works - £16,000 2022/23 and £200,000 2023/24
- Merrow & Burpham surface water study - £15,000 in 2022/23

(2) To recommend to Council at its meeting to be held on 6 December 2022,

- That the capital and investment outturn report be noted.
- That the actual prudential indicators reported for 2021/22, as detailed in Appendix 1 to the report, be approved.

Reasons:

- (1) To comply with the Council's treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- (2) As per the treasury management code although the scrutiny of treasury management (and indeed all finance) had been delegated to the Corporate Governance and Standards Committee, ultimate responsibility remained with full Council - this report therefore fulfilled that need.

EX47 HOUSING REVENUE ACCOUNT - REVENUE OUTTURN REPORT 2021-22

The Housing Revenue Account (HRA) recorded the income and expenditure associated with the provision and management of Council owned residential dwellings in the Borough. The requirement to maintain an HRA was set out in the Local Government and Housing Act 1989 and the requirement to publish final accounts was set out in the Accounts and Audit (England) Regulations 2015.

The Leader of the Council introduced the report that set out the actual level of revenue spending on day-to-day services provided to tenants recorded in the HRA in 2021-22.

The comments arising from the Corporate Governance and Standards Committee meeting on 29 September 2022 along with some financial updates were set out in the Supplementary Information Sheet.

The report set out the income and expenditure on the HRA for the year 2021-22 and it was confirmed that a sustainable budget had been maintained with an £11.2 million operating surplus. The 30-year business plan supported expenditure of £2.5 million of the surplus to maintain and improve the Council's housing stock. The focus of the expenditure was to support the continued wellbeing of tenants and to increase the energy-efficiency of homes. In addition, a further £7.84 million would be added to the new-build budget. Right to Buy (RTB) receipts had been utilised and an additional 21 homes had been purchased for social housing resulting in no repayment penalties. Overall, the report was in line with the 30-year business plan.

The Lead Council for Resources added that the rental income was £29.2 million, there had been a low instance of arrears and few void properties for the period resulting in a strong financial position justifying the investments in the housing stock. Consequently, the Executive,

RESOLVED:

That the final outturn position on the HRA for 2021-22 be noted, and that the decision taken under delegated authority to transfer £2.5 million to the reserve for future capital, and £7.84 million to the new build reserve from the revenue surplus of £10.339 million in 2021-22, be endorsed.

Reason:

To allow the Statutory Statement of Accounts to be finalised and subject to external audit prior to approval by the Council.

EX48 GENERAL FUND REVENUE OUTTURN REPORT 2021-22

The Lead Councillor for Resources introduced the report. Comments arising from the Corporate Governance and Standards Committee meeting held on 29 September were set out in the Supplementary Information Sheet.

It was noted that in the middle of last year the Council identified a significant overspend in the General Fund and the report before the Executive recorded the effects of actions taken to mitigate the situation. The mitigation resulted in a balanced budget and a £138,987 underspend, which had been transferred to the budget pressures reserve.

The net income from interest receipts was £1.5 million more than had been estimated and the minimum revenue provision for debt repayment was £154,414 lower than estimated. Put together, this contributed £1.6 million net additional interest to the General Fund.

The report set out the structure and the use of reserves and it was noted that the reserves available to support the General Fund remained low.

It was noted that the Council was actively encouraging more customers to use online services to free up the telephone lines to residents who did not have access to a computer.

There were no further comments and consequently the Executive,

RESOLVED:

That the Council's final outturn position on the General Fund for 2021-22 be noted, and that the decisions taken under delegated authority to transfer the underspend to the Budget Pressures reserve and to make a transfer between the business rates retention reserve and the ICT renewals reserve, be endorsed.

Reasons:

To note the final outturn position for 2021-22 and to facilitate the ongoing financial management of the Council.

EX49 HOUSING INVESTMENT PROGRAMME - ACQUISITION OF LAND AND BUILDINGS FOR THE HOUSING REVENUE ACCOUNT

The Housing Revenue Account (HRA) Capital Programme and the Capital and Investment Strategy, approved by the Council in February 2022 had included a budget programme of £1.8 million for 2022-23 and £1.8 million in 2024-25 for the acquisition of land and buildings for the HRA. A further £3 million had been agreed for a provisional programme for 2022-23 and £4 million for 2024-25 which could be used subject to individual development and acquisition plans.

It was noted that the capital programme included buying back homes that had previously been sold through Right to Buy (RTB) and homes that became available through s.106 agreements. The Council utilised RTB receipts to re-purchase homes where there was a good financial outcome in terms of favourable terms and long-term rental income potential, or to benefit the Council's strategic objectives.

The Leader of the Council introduced the report that proposed the provisional budget be moved to the approved budget as the currently approved funds had been either committed or spent.

The meeting heard that good progress had been made throughout the year and consequently the Executive,

RESOLVED:

That the existing Housing Revenue Account Acquisition Provisional Budget of £7 million for 2022-23 and 2024-25 be moved to the HRA Approved Capital Programme.

Reason:

To facilitate the delivery of social housing whilst contributing to the Council's plan to fully utilise Right To Buy receipts.

EX50 FUTURE OF INTERNAL AUDIT

The Lead Councillor for Resources introduced the report.

The Council's existing contract for the provision of internal audit services was due to expire in March 2023. A process of soft market testing and due diligence had been undertaken to assess the available options and to identify a preferred provider. It was proposed that Southern Internal Audit Partnership (SIAP) could provide the service to the Council from 1 April 2023 for a five-year period.

It was noted that SIAP worked with many other councils including Waverley Borough Council (WBC). There would be no significant cost savings gained by transferring to SIAP, but it would harmonise with the Council's collaboration with WBC. Consequently, the Executive,

RESOLVED:

- (1) That, with effect from 1 April 2023, the Council discharges its Internal Audit Function under Section 101 of the Local Government Act 1972 to Hampshire County Council so that Southern Internal Audit Partnership (SIAP) can provide the Internal Audit Service for Guildford Borough Council.
- (2) That the Council's Section 151 and Monitoring Officers be authorised to enter into the Joint Working Agreement by way of a deed of accession with Southern Internal Audit Partnership and undertake all necessary legal arrangements to do so.
- (3) That the Section 151 Officer or nominated officer represents the Council's interests by becoming a voting member of the Southern Internal Audit Partnership Key Stakeholder Board.

Reason(s):

To ensure good governance arrangements and internal control by undertaking an adequate level of internal audit coverage through discharging the Council's functions as permitted by the S101(5) of the Local Government Act 1972.

The meeting finished at 7.35 pm

Signed

Date

Chairman

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Council Report

Ward(s) affected: All

Report of Joint Chief Executive

Author: Tom Horwood

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Date: 6 December 2022

Appointment of Joint Monitoring Officer

Recommendation to Committee

In July and August 2021, Guildford and Waverley Borough Councils both considered options for collaboration and agreed to put in place governance arrangements for the partnership, and to create a Joint Management Team (JMT) comprising Chief Executive, Directors and Heads of Service.

Most of the permanent Joint Executive Head of Service roles have been appointed, with the exception of the Executive Head of Planning Development and Executive Head of Legal and Democratic Services.

The Joint Appointments Committee (JAC), comprising three councillors from each council, will meet on 5 December to carry out the final interviews of short-listed candidates for the appointment of the Executive Head of Legal and Democratic Services, which includes the statutory post of Monitoring Officer. The JAC will make a recommendation in respect of the appointment for confirmation at both Councils' meetings at Guildford on 6 December and, at Waverley, on 13 December 2022 in accordance with the requirements of The Local Authorities (Standing Orders) (England) Regulations 2001 (as amended). Details of the JAC's recommendation will be included on the Order Paper for the meeting.

Any formal offer of appointment is subject to no material or well-founded objection being made by either of the two Council Leaders on behalf of their respective Executives in accordance with the provisions of Paragraph 5 of Part II of Schedule 1 to the Local Authorities (Standing Orders) (England) Regulations 2001.

Recommendation to Council:

To consider, following its meeting on 5 December 2022, the recommendation of the Joint Appointments Committee in respect of the appointment of the Joint Monitoring Officer.

Reason for Recommendation:

To appoint a permanent Joint Executive Head of Legal and Democratic Services, including the duties of the Monitoring Officer for Guildford and Waverley Borough Councils.

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

- (a) The content of Appendix 1 is to be treated as exempt from the Access to Information publication rules because the process for approval of the recommendations will involve the disclosure, or likely disclosure of personal information about the candidate and is therefore exempt from publication by virtue of paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 as follows:
 - (1) "Information relating to any individual".
- (b) The content is restricted to councillors.
- (c) It is not anticipated that the exempt information can be expected to be made available for public inspection.
- (d) The decision to maintain the exemption may be challenged by any person at the point at which the Council is invited to pass a resolution to exclude the public from the meeting to consider the exempt information.

1. Background

- 1.1 The new JMT structure comprises of three Joint Strategic Directors and 12 Joint Executive Heads of Service. The statutory officers (Chief Finance Officer and Monitoring Officer) report to the Joint Strategic Director for Transformation and Governance for line management, and also have a direct accountability and reporting line to the Joint Chief Executive for their statutory responsibilities.

2. Strategic Priorities

- 2.1 The Joint Executive Heads of Service will play a pivotal role in the delivery of Guildford and Waverley Borough Councils' aspirations set out in the respective Corporate Plan and Corporate Strategy. The appointment reflects the next step in both councils' strategic aim of exploring shared opportunities with other local authorities for the benefit of local residents.

3. The appointments process

- 3.1 The Councils seek to recruit a Joint Executive Head of Legal and Democratic Services who will form part of the new JMT and also take on the statutory role of Monitoring Officer.
- 3.2 The Councils have engaged Penna executive recruitment consultants to assist in the process. During the week commencing 21 November, Penna conducted the technical and psychometric assessments of long-listed candidates and then recommended a short-list of candidates for final interview by the JAC on 5 December.

- 3.3 Following the final interviews, the JAC will meet with a view to making a recommendation in respect of the appointment for confirmation at both Councils' meetings at Guildford on 6 December and, at Waverley, on 13 December 2022 in accordance with the requirements of The Local Authorities (Standing Orders) (England) Regulations 2001 (as amended). Details of the JAC's recommendation will be included on the Order Paper for the meeting.

4. Financial Implications

- 4.1 This report concerns one of the Joint Executive Head of Service posts. The recruitment process for the full JMT is nearing completion. The overall target for each council of £150,000 in 2022-23 from the whole JMT is expected to be achieved once the restructure of the Head of Service level is complete. Once the restructure for the Head of Service level is complete, an analysis of the full savings between the general fund and the HRA for each council will be undertaken and reported.

5. Human Resource Implications

- 5.1 Following benchmarking with other council partnerships and external advice, the spot salary for the new Joint Executive Head of Legal & Democratic Services is £90,000 with an annual allowance of 5% of salary to account for the additional duties of being a statutory officer. The salary and allowance for 2022-23 will therefore be £94,500. This will be shared between the councils. From this salary, the employee will pay tax, NI and pension contributions.
- 5.2 The partnership working arrangement between the two Councils has required the creation of a Joint Management Team through the restructuring of both Councils. Both Councils have fully consulted with Unison and the affected staff and responded to the feedback with measures including making changes to the proposed structure. Each Council has followed their respective policies and processes in relation to Redundancy, Restructuring, Pay and Early Termination of Employment (Discretionary Payments).

6. Legal Implications

- 6.1 The proposals in this report are compliant with the Council's Constitution and statute.

7. Equality and Diversity Implications

- 7.1 All public authorities are required by the Equality Act 2010 to specifically consider the likely impact of their policy, procedure or practice on certain groups in society.

- 7.2 It is our responsibility to ensure that our policies, procedures and service delivery do not discriminate, including indirectly, on any sector of society. Council policies, procedures and service delivery may have differential impacts on certain groups with protected characteristics, and these will be highlighted in the Equalities Impact Assessment (EqIA) screening and mitigations identified if necessary.
- 7.3 An EqIA screening was carried out for the JMT restructuring activity. As a result of assessment at this point, it is concluded that the restructuring activity will not have a negative impact on those with protected characteristics, neither does it reflect the potential for discrimination. It is considered that the Council is acting in accordance with the public sector equality duty contained in section 149 of the Equality Act 2010.

8. Risk management Implications

- 8.1 The Collaboration Risk Assessment was approved by both Councils at their April 2022 meetings. It was also resolved to establish a Joint Governance Committee which will have responsibility for monitoring the risk register periodically.

9. Climate emergency declaration

- 9.1 The climate emergency declaration and the urgent target for net zero carbon by 2030 is a critical objective for both councils. While no specific impacts on the climate emergency declaration have been identified as a consequence of this report's recommendations, the Council will be assessing and prioritising the environmental, climate and carbon impacts of any proposals that emerge.

10. Options

- 10.1 The proposal seeks to gain Council agreement to appoint to the Joint Executive Head of Legal and Democratic Services, which includes the statutory duties of the Monitoring Officer.
- 10.2 If these proposals were not agreed, the Council would expose itself to legal and contractual risks.

10. Background Papers

None

11. Appendices (exempt from publication)

Appendix 1: Summary of CV of recommended candidate for appointment to the role of Joint Executive Head of Legal and Democratic Services (and Monitoring Officer) [EXEMPT – TO FOLLOW]