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BOROUGH

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Tom Horwood
Joint Chief Executive
Guildford & Waverley
Borough Councils

Contact Officer:

Carrie Anderson, Senior Democratic
Services Officer

17 January 2024

Dear Councillor,

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 25 JANUARY 2024** at 6.00 pm.

Yours faithfully

Tom Horwood
Joint Chief Executive
Guildford & Waverley
Borough Councils

MEMBERS OF THE EXECUTIVE

Chairman:
Councillor Julia McShane (Leader of the Council & Lead Councillor for Housing)
Vice-Chairman:
Councillor Tom Hunt (Deputy Leader of the Council & Lead Councillor for Regeneration)
Councillor Angela Goodwin, Lead Councillor for Engagement and Customer Services
Councillor Catherine Houston, Lead Councillor for Commercial Services
Councillor Richard Lucas, Lead Councillor for Finance and Property
Councillor Carla Morson, Lead Councillor for Community and Organisational Development
Councillor George Potter, Lead Councillor for Environment and Climate Change
Councillor Merel Rehorst-Smith, Lead Councillor for Regulatory and Democratic Services
Councillor Fiona White, Lead Councillor for Planning

WEBCASTING NOTICE

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

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

QUORUM 3

THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

Our Vision:

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

Our Mission:

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

Our Values:

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

Our strategic priorities:

Homes and Jobs

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

Environment

- Provide leadership in our own operations by reducing carbon emissions, energy consumption and waste

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

Community

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

Agenda

Item No.

1 Apologies for absence

2 Local code of conduct - disclosable pecuniary interest

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

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

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

3 Minutes (Pages 7 - 10)

To confirm the minutes of the meeting of the Executive held on 4th January 2024.

4 Leader's announcements

5 Review of the Guildford Borough Local Plan: Strategy and Sites (2015-2034) (Pages 11 - 94)

6 Capital and Investment Strategy 2024/25 - 2028/29 (Pages 95 - 192)

7 Housing Revenue Account Budget 2024-25
(pages 193 - 218)

8 General Fund Revenue Budget 2024-25 and Medium-Term Financial Plan 2024-25 to 2026-27 (pages 219 - 310)

9 Guildford Borough Council Whistleblowing Policy (pages 311 - 338)

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

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

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

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 28 December 2023.

Executive

Councillor Julia McShane (Chairperson)
* Councillor Tom Hunt (Vice-Chair)

* Councillor Angela Goodwin
* Councillor Catherine Houston
* Councillor Richard Lucas
* Councillor Carla Morson
* Councillor George Potter
* Councillor Merel Rehorst-Smith

*Present

Councillors Fiona White and Patrick Oven were in attendance.

Councillors Amanda Crease, Yves de Contades, Howard Smith and Joanne Shaw were also in remote attendance.

EX41 Apologies for Absence

Apologies were received from Councillor Julia McShane.

EX42 Local Code of Conduct - Disclosable Pecuniary Interest

There were no declarations of interest.

EX43 Minutes

The minutes of the meeting held on 23 November 2023 were confirmed as correct. The Chairman signed the minutes.

EX44 Leader's Announcements

The Deputy Leader noted that yesterday the council published its draft financial budget for 2024 to 2025. It proposed a balanced budget for the next financial year and provided an update on the Medium-Term Financial Plan position up to April 2027. All indications were that the council will not need to issue a section 114 notice. The draft budget would be reviewed at the following meetings:

- the Joint Executive Advisory Board on 11 January 2024;
- the Corporate Governance and Standards Committee on 18 January 2024;
- the Executive on 25 January 2024; and to be finally approved by
- Full Council on 7 February 2024

Gratitude was expressed to the finance team for all their hard work towards addressing the council's financial situation. It was noted that work would continue to ensure the council's future financial position remained stable.

The council was currently operating 22 bring sites of various sizes and locations across the borough. These were locations where residents could take unwanted textiles, shoes, bottles, and cardboard for recycling. These sites were introduced before good kerbside recycling services were established. As the council now had a much better recycling service - where all the items that residents can take to a bring site could be collected through the usual kerbside recycling collection – the decision has been taken to close them. The bring sites would be closing the week commencing 22 January 2024. It was noted that the sites at Station Parade, East Horsley and Portsmouth Road, Guildford would be converted to recycling points for nearby flats. The council was in the process of letting our community know about this change (following its approval at Executive on the 23 November) in a number of ways:

- signage on the bring sites themselves.
- emails to the landowners affected by this change to our service.
- information on our website containing more detailed guidance as to how to dispose of household rubbish
- social media posts to keep our residents fully informed about the services available through their kerbside collection.

Further updates would be provided in the regular fortnightly councillor update.

Schools and parish councils could now create projects with Crowdfund Guildford. There was still up to £5,000 funding available for community projects in the Autumn round. The deadline to create a project was 31 January 2024
Suitable projects attracting support were those that:

- supported those in need.
- improved rural areas.
- enhanced green spaces.
- promoted wildlife and nature.
- enhanced wellbeing

Any community group or person with an idea was encouraged to connect with Crowdfund Guildford, where they could support ongoing projects and bring their own to life. Crowdfund Guildford website. Crowdfund Guildford was supported by UK Share Prosperity Fund.

Clean Air Night was happening for the first time on Wednesday, 24 January 2024. The council was participating in the Clean Air Night campaign in alliance with

Global Action Plan. It was noted that new evidence had discovered that wood burning damaged health and the planet. Clean Air Night was a chance to learn more and to hear expert voices on the myths of wood burning. The council would be sharing posts on social media channels to support the campaign hashtag #CleanAirNight. More information about Clean Air Night could be found by visiting Global Action Plan's website: www.cleanairhub.org.uk

EX45 Send Hill Disused Sandpit

The Executive considered a report recommending that the council-owned land known as Send Hill Disused Sandpit, be disposed of at best consideration. The land was an old landfill site that was surplus amenity and was used for the purposes of public recreation. It was identified in the Local Plan as development land for housing. The site was not considered appropriate for development by the council's Housing Revenue Account due to remediation costs and resource implications.

The Lead Councillor for Finance and Property introduced the report and advised that Executive authority was required for the disposal to proceed due to the size of the site and the anticipated value of the sale. It was noted that the matter had been before the Executive on a previous occasion when authority was given to undertake a contaminated land survey.

The Executive noted that the public comments set out in the report were generally opposed to the sale of the land. Public feedback questioned if the land would be suitable for development, suggested a potential impact for wildlife and that it was valued as a recreational area for local dog walkers. The Executive observed that any loss of amenity would be a matter for the Planning Committee and planning policy should any future application be submitted. A Right of Way immediately behind the site was noted and that public accessibility could be a consideration for any future planning application. It was commented that the Send Neighbourhood Plan had not, apparently, sought to designate the site as Green Space.

Whilst there was sympathy for those local residents opposing the sale, the site had been removed from the Green Belt and been listed for development in the Local Plan. The capital receipt received from the sale would be positively utilised by the council to protect and deliver services. Consequently, the Executive,

RESOLVED:

That, in line with the Land and Property Disposal Policy, the Executive authorises The Joint Executive Head, Assets and Property to negotiate terms for a disposal at best consideration and to subsequently enter into all relevant legal documentation required to complete the transaction of the Council owned land comprising Land West of Winds Ridge, Send Hill in return for a capital receipt.

Reason(s):

1. To facilitate the building of new homes in compliance with the local plan designation.

2. To generate Income (a capital receipt) and reduce revenue costs.

The meeting finished at 6.15 pm

Signed .... Date ....

Chairman

Guildford Borough Council

Report to: Executive
Date: 25 January 2024
Ward(s) affected: All
Report of Director: Place
Author: Stuart Harrison, Planning Policy Lead
Tel: 01483 444512
Email: Your email stuart.harrison@guildford.gov.uk
Lead Councillor responsible: Fiona White
Tel: 07971 542820
Email: Fiona.White@guildford.gov.uk
Report Status: Open

Review of the Guildford borough Local Plan: strategy and sites (2015-2034)

1. Executive Summary

1.1 The Council is required to review the Local Plan: strategy and sites (LPSS) within five years of adoption to decide if an update to the Plan is required. Having considered changes in national planning policy, associated guidance and relevant legislation, as well as changes in circumstances affecting Guildford borough since the LPSS was adopted, it is officers' view that the Local Plan should be updated.

1.2 Changes identified and which support a decision to update the LPSS include the level of local housing need based on Government's standard method calculation, which differs significantly from the LPSS housing requirement; changes in the economy; slower progress toward delivery of several strategic sites than that anticipated; and changes in planned delivery of supporting infrastructure such as the Guildford A3 scheme.

1.3 Furthermore, whilst many of the LPSS policies remain consistent with the NPPF, there are changes in planning related legislation and

guidance identified which support a decision to update the LPSS. More fundamentally, however, Government proposes to introduce significant planning reform flowing, at least in part, from the recent publication of the Levelling Up and Regeneration Act 2023 (LURA). These changes, which include a new NPPF and National Development Management Policies and other regulations, will impact on plan-making to the extent that 'new style' Local Plans are proposed.

1.4 Should the decision to update the Local Plan be supported, a further report will be prepared to propose appropriate timing for and budgetary requirements of the Local Plan update. Importantly, this would consider planning reform proposals including Government's timescales for initiating 'new style' Local Plans alongside the impacts of changes on the nature and form of plans and supporting evidence.

1.5 It is important to stress that the findings of this review do not change any elements of the LPSS. The LPSS remains part of the Council's Development Plan, which is the primary consideration in terms of determining planning applications. Due weight will be given to policies according to their degree of consistency with the NPPF, which for the most part they are.

2. Recommendation to Executive

The Executive is asked to recommend to Full Council, meeting on 21 February 2024:

2.1. That the Guildford Local Plan: strategy and sites (2015-2034) be updated following the findings of the review undertaken in accordance with regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended); and

2.2. To note that a further report will be submitted to the Executive at a later date to clarify the appropriate timing for and budgetary requirements of the Local Plan update. This report should follow the national planning reform legislation and consider its implications for the update process.

3. Reason(s) for Recommendation:

3.1. There is a statutory requirement to review the LPSS within 5 years of its adoption. This is to assess whether it needs updating. The review findings set out in this report indicate that an update of the LPSS would be an appropriate course of action to ensure that the Council's Local Plan remains effective into the future.

3.2. There are a range of uncertainties which impact on the context for the preparation of a new / updated Local Plan, some of which relate to the lack of clarity regarding the detail of proposed Government reforms to the planning system which guide plan-making. It is necessary that these are fully considered in order to set out recommendations regarding the scope and timing of a new plan-making process.

4. Exemption from publication

No part of this report is exempt from publication.

5. Purpose of Report

5.1. This report presents the findings of the review of the LPSS and seeks Council approval for officers to proceed with preparations to inform the update of the Local Plan. Detail on the proposed timing and budgetary implications of a Local Plan update will be presented for agreement at a later date.

6. Strategic Priorities

6.1. An up to date Local Plan directly and indirectly contributes to achieving a range of the Council's strategic priorities across the housing and jobs, environment and community themes. This report recommends updating the Local Plan. An update provides the opportunity for policies to enable or continue to enable delivery of priorities such as reviving the Guildford town centre to unlock its full potential; providing and facilitating housing that people can afford; supporting high quality development of strategic sites; making travel more sustainable and reducing congestion; protecting and enhancing our natural environment; and tackling inequality.

7. Review of the LPSS

a) <u>Background</u>

7.1. The LPSS was adopted by the Council on 25 April 2019. It is a statutory requirement[1] that a review of the LPSS is completed (every) five years from the date of adoption. This report meets that requirement by completing the review of the LPSS now, well ahead of the 25 April 2024 deadline.

7.2. To be effective and deliver the right outcomes, Local Plans need to be kept up to date. A review is the key means of assessing whether plan policies remain up to date. For Guildford borough, this review considers whether the LPSS policies need updating in accordance with paragraph 33 of the NPPF. The recently adopted Local Plan Development Management Policies (LPDMP) is not within the scope of this review, although any future update process may consider these policies at a later date.

7.3. Regarding the scope of the review, the NPPF indicates that the review '…should take into account changing circumstances affecting the area, or any relevant changes in national policy[2].'

7.4. The National Planning Practice Guidance (NPPG) supplements this by listing what authorities can consider when determining whether a plan or policies within a plan should be updated (these are included at Appendix 1).

[1] In terms of regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

[2] See NPPF, 2023 at paragraph 33

7.5. Furthermore, the NPPG[3] sets the expectation that authorities have due regard to the legal Duty to Cooperate (DtC) when to undertaking a review to assess if Local Plan policies need updating.

7.6. In this context, and to assist in meeting the expectations of Local Plan review set out in national policy and guidance, this review includes Officers' completion of:

- a schedule reviewing LPSS policies for consistency against the current NPPF and highlighting other material changes in circumstance e.g., new legislation, policy, guidance or evidence. (see 'the NPPF schedule' – included at Appendix 2).

- the Planning Advisory Service, Part 1 Local Plan Review Assessment matrix which seeks to highlight any changing circumstances impacting the borough (see 'the PAS matrix' – included at Appendix 3)

- a summary of DtC responses received following their consultation on the LPSS review process (see 'DtC responses summary' – included at Appendix 4)

7.7. As part of the review, officers also consider it necessary to reflect upon the national legislative changes already in place flowing from the recent publication of the Levelling up and Regeneration Act 2023 (LURA) or that are envisaged as part of Government's intended reforms to the national plan-making system. These are highlighted in the section below.

b) <u>Findings of the LPSS review</u>

7.8. Officers consider that the LPSS should be updated based on a combination of factors considered by this review. These include the changed, and changing, national policy context informing plan-making; indications of changing circumstances affecting Guildford borough; and the opportunity that a Plan update will provide to

[3] See NPPG: Plan-making at Paragraph: 068 Reference ID: 61-068-20190723

address new and emerging priorities for the Council. These are set out in further detail as follows.

Changes in National Planning Policy and associated Legislation and Guidance

7.9. The LPSS was examined against the NPPF 2012, under transitional arrangements at the time. Since 2012, the NPPF has been updated several times including in 2018, 2019, 2021 and 2023 albeit that there have not been fundamental changes.

7.10. The NPPF schedule at Appendix 2 which reviews LPSS policies for consistency against the current NPPF reflects that the LPSS policies remain broadly consistent with the NPPF. However, several changes to legislation, policy and guidance are highlighted in the schedule. These include:

- changes to the Use Classes Order (including the introduction of Use Class E) and permitted development rights, which allow a wider range of uses without the need for planning permission. This has had the effect of reducing the scope of application of some of the LPSS employment and retail policies and in limited cases making some of the requirements more challenging to apply.

- updates to legislation, planning policy and guidance impacting the expected content of Local Plans following the adoption of the LPSS. These include the NPPG introduction of requirements for Local Plans to set an expectation for the provision of First Homes and the 2021 Environment Act's mandatory 10% biodiversity net gain requirement to be secured as a planning condition on qualifying development. However, changes such as these occurred prior to the submission and adoption of the LPDMP and they have been incorporated into this second part of the Local Plan (in the case of the latter at a higher standard than that specified nationally). This has allowed the Council to keep its Development Plan up to date and in line with more recent national legislation, policy and guidance.

7.11. It is important to note, that this assessment of consistency with national policy is undertaken at a point in time where significant changes to the national planning system are underway.

7.12. Although these national reforms are not yet concluded and much of the detail remains unknown, it provides important context for the review of the LPSS, as it points to the likelihood of an imminent and significantly changed context for plan-making.

7.13. A notable step toward this altered context was the publication LURA in late 2023. Whilst much of its implementation is dependent on further secondary legislation/regulations, Government have also indicated that several further changes to the national planning context are planned to include:

- the publication of a new NPPF (this is more wide-ranging and distinct from the targeted changes that were consulted upon from December 2022 – March 2023 and which was published on 20 December 2023);

- a proposed set of National Development Management Policies that will have the same status as Local Plan policy and with which local policy will not be allowed to conflict nor duplicate.

7.14. Further, Government intends to introduce 'new style' Local Plans as part of their planning reform process which are proposed to be:

- in the form of a single Local Plan, which is concise, more visual, and focussed on locally important matters.

- prepared over a 30-month process, supported by proportionate evidence, following a series of 'gateway' assessments and formal examination which is limited to 6 months.

- initiated, potentially in a staged process, commencing from autumn 2024 when Government indicates that relevant regulations, policy, and guidance will be in place to enable their production.

7.15. In this context, whilst the LPSS remains broadly consistent with the current NPPF (although there are a few areas where an update would ensure greater alignment), officers consider that an update would provide the opportunity to ensure that the Council's Local Plan remains consistent with national policy into the future. Government intentions for planning reform thus also favour a decision to update the Local Plan, in the form of a 'new style' Local Plan, as and when their proposals be realised. This would include consideration of any changes to the nature and form of Local Plans and supporting evidence, alongside consultation processes and impacts on Guildford borough's plan-making processes.

Changing circumstances affecting Guildford borough

7.16. There are several changed circumstances affecting the borough. An extensive evidence base has not been developed for the purposes of this review and the findings below do not seek to be comprehensive. This is considered a proportionate approach and in line with the NPPG[4].

7.17. The following summary draws upon officers' review of the LPSS in relation to key considerations highlighted by the NPPG (Appendix 1) and the PAS matrix at Appendix 3. It reflects upon changing circumstances impacting on Guildford borough including in relation to local housing need; the economy; delivery of key site allocations and infrastructure; and the local environment and heritage context.

7.18. First, regarding local housing need. It is highly likely that moving forward, this figure will be different to that set out as an annual housing requirement of 562 dwellings per annum (dpa) in the LPSS. At this stage, the standard method produces a local housing need figure of 771 dpa for Guildford borough – an approx. 37% increase on the housing requirement figure.

7.19. The NPPG indicates that local housing need will be considered to have changed significantly where a plan has been adopted prior to the standard method being implemented, on the basis of a number

[4] See NPPG: Plan-making at Paragraph: 068 Reference ID: 61-068-20190723

that is significantly below the number generated using the standard method[5]. However, this will require careful consideration as there are a range of uncertainties, which include:

- Potential changes to the standard method figure – it is not yet clear whether this figure for Guildford will change significantly based on new population projections / updates to the standard method. Government indicate that they will review the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2025.

- The basis for and degree to which reforms to the planning system will enable divergence from the standard method. Government has yet to clarify whether they will make clearer in the Framework that the outcome of the standard method is an advisory starting-point to inform plan-making – a guide that is not mandatory. Further they have yet to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method. Further demographic evidence would need to be undertaken to explore whether there is a case for Guildford to seek to justify divergence (e.g., based on previous overestimates due to student figures), however this can only be undertaken once the new Standard Method / projections are published and then only tested through the plan making process.

7.20. Thus, the review only considers the standard method figure for Guildford as it is, rather than whether there are exceptional circumstances which justify an alternative approach[6]. However, in short, the significant divergence between the LPSS housing requirement and the standard method figure contributes to the case that the Plan should be updated.

[5] See NPPG: Plan-making at Paragraph: 062 Reference ID: 61-062-20190315

[6] See NPPF paragraph 61

7.21. Second, there have been changes in the economy during the past five years. In this regard, there are several aspects that are particularly relevant to planning.

7.22. The first is a change in shopping patterns. A greater proportion of shopping, particularly for comparison goods, is taking place online and this is forecast to continue increasing. This is the case nationally, as it is for Guildford. Consequently, the amount of floorspace needed for this type of retail activity is significantly less than was forecast as an input to the LPSS. The LPSS is, however, flexible in terms of the allocation of this form of floorspace. The production of updated evidence[7], allowed for under the LPSS, contributed to enabling the Council to support an application reflecting a significantly altered proportion of retail (and other non-residential) floorspace than was initially envisaged under the North Street redevelopment site allocation (LPSS Policy A5).

7.23. The second is a change to employment patterns, and general changes in demand for various forms of office floorspace. The Council has yet to undertake an update of its Employment Land Needs Assessment (ELNA) and the impacts for Guildford borough are thus not yet known. However, the previous few years have shown an overall loss of office floorspace within the borough[8]. It is also not clear whether there is appetite to take up the allocated office floorspace in the Local Plan (albeit that 10 years remain in the plan period and further shifts may occur). Further, the Council's Economic Development Strategy[9] has highlighted several barriers that need to be overcome if the Council's ambitions for increased office floorspace are to be met. These include the provision of well-located high quality floorspace, alongside lower cost opportunities for innovators and entrepreneurs. An update to the Plan will provide an opportunity to interrogate

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[7] See the Retail Planning Statement and further retail planning advice for the Council in relation to the proposed Redevelopment of the North Street site - application ref: 23/P/01211

[8] See GBC Authority Monitoring Reports available at: https://www.guildford.gov.uk/article/22879/Monitoring-the-Local-Plan

[9] See Guildford Economic Development Strategy (2023) available at: https://www.guildford.gov.uk/article/25424/Strategies-and-economic-information

further any potential shifts in the nature and extent of need for office floorspace in the borough and to continue to plan accordingly.

7.24. The third is a general trend of continued strong demand for storage, distribution, and logistics floorspace, in part in a response to changes in the way people shop for goods. As with the case of office floorspace, a future update of the Council's ELNA will assist in providing clarity regarding any specific changes in need for this form of floorspace in Guildford borough.

7.25. The fourth is a change within the (residential) property market, which is strongly influenced by interest rates and the cost of development, including building, finance, and labour costs. In all aspects, the past several years has reflected a period of volatility. Changes in the property market are particularly relevant to the level of viability of development. Whilst the Council's viability evidence is relatively recent, having been updated to support the LPDMP, an update to the Local Plan would provide the opportunity to revisit viability and its relationship to a range of infrastructure and policy costs to ensure that development continues to be deliverable.

7.26. All these shifts in economic circumstances have relevance for the review. In this regard, whilst the full details of changes reflected upon are in most cases not yet locally nor recently quantified, it is considered that there is sufficient indication of changes in economic circumstances to support a review finding that the LPSS should be updated.

7.27. Third, there have been changes in the anticipated trajectory of delivery of key LPSS site allocations. Whilst at adoption the Plan's trajectory had indicated that several strategic sites[10] would together begin to contribute to housing delivery in the first five years of the Plan, this has not occurred for a variety reasons. Indeed, the most

[10] These are the major urban extensions at Gosden Hill Farm (LPSS Policy A25) and Blackwell Farm (LPSS Policy A25), alongside the new settlement at the Former Wisely Airfield (LPSS Policy A35).

recently published housing trajectory[11] indicates that delivery on these sites is only likely to begin from 2028/29 onward. Whilst these sites have been delayed, some windfall development has occurred, including significant levels of purpose-built student accommodation which has assisted in maintaining a robust 5-year housing land supply position over the review period. An update will provide an opportunity to ensure that the Council can continue to put forward deliverable and developable site allocations.

7.28. Fourth, regarding key infrastructure to support plan growth, whilst some planned infrastructure has been or is progressing toward delivery, its provision is often contingent upon delivery of homes, including the strategic sites. As noted, much of this growth has yet to come forward and the specific mitigation packages for several strategic sites are not yet agreed. There has however been a confirmed significant change in planned key supporting infrastructure in that the A3 Guildford scheme is no longer part of National Highways Road Investment Strategy (RIS) as was anticipated at the time of adoption of the LPSS.

7.29. Finally, regarding changes in local environmental or heritage context, the review has not indicated that there are clear and confirmed changes that would impact on the delivery of the plan. This is not surprising as changes in this context typically do not occur rapidly. However, the review has noted several processes in this area which have the potential to influence planning in the borough in the future, including:

- ongoing work by Natural England to review the Surrey Hills AONB (now Surrey Hills National Landscape) boundary, potentially significantly increasing the area protected by this designation;
- work by the EA on flood modelling and the mapping of flood zones (which has been updated since the LPSS was adopted), as well as

[11] See page 347 Appendix 8: Five Year Housing Land Supply available at: https://www.guildford.gov.uk/article/25375/Land-Availability-Assessment

their joint investigation with the Council regarding the potential for a flood alleviation scheme in Guildford town centre;

- continued work to monitor air quality and the declaration of a new air quality management area (AQMA) in Guildford town centre.

7.30. An update to the Local Plan would enable further consideration of the outcomes of these processes and any implications for plan-making.

Opportunity to address new and emerging priorities for the Council

7.31. The adoption of the LPDMP in 2023 enabled the Council to respond to several environmental priorities, including biodiversity, protection of heritage assets, and climate change. In doing so, it sought to balance achieving high standards, such as class leading levels of biodiversity net gain, whilst not threatening the overall delivery of development. An update to the Local Plan would provide an opportunity to revisit priorities and ensure the Council's Local Plan continues to deliver across its strategic objectives and in alignment with the Council's Corporate Strategy.

c) <u>Implications for plan-making and decision-taking</u>

7.32. It is important to stress that the findings of this review, which point to the need to update the LPSS, do not change any of the elements of the adopted Plan, nor mean that it is redundant. To change the LPSS would require an 'update' of the plan rather than a 'review', as the latter merely concludes whether an update is necessary.

7.33. Further, the LPSS policies (alongside those of the LPDMP and other Development Plan Documents / DPDs) remain the primary consideration in terms of determining planning applications. The NPPF indicates at paragraph 225 that existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of the latest NPPF. Due weight should be given to them, according to their degree of consistency with the Framework (the closer the policies in the plan to the policies in the

Framework, the greater the weight that may be given). For the most part the LPSS policies are consistent with the NPPF.

7.34. It is important to highlight the implications of the review findings regarding how 5-year housing land supply will be assessed after the LPSS is five years old. The NPPF reflects the following at paragraph 77:

> *'…local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide either a minimum of five years' worth of housing[…], or a minimum of four years' worth of housing if the provisions in paragraph 226 apply. The supply should be demonstrated against either the housing requirement set out in adopted strategic policies, or against the local housing need where the strategic policies are more than five years old[42].*
>
> *[42] Unless these strategic policies have been reviewed and found not to require updating. Where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance'.*

7.35. This review does not seek to claim that the strategic policies including Guildford borough's housing requirement of 562dpa do not require updating. In accordance with the NPPF, Guildford borough will need to demonstrate at least a five-year housing supply against the standard method figure in future. It is envisaged that a future LAA and associated 5-year housing land supply calculation will need to reflect upon this changed circumstance with updated supply and local housing need figures at that time. At this stage it is not possible to confirm whether the Council will in future continue to have a robust 5-year housing land supply. Variables both in terms of the future supply of deliverable sites, and potential changes to levels of local housing need (in terms of the standard method calculation) will determine this outcome.

8. Consultations

8.1. As part of the review process, the Council has undertaken consultation with its DtC partners. A summary of responses received is outlined at Appendix 4. The comments received in the main relate to strategic matters that will require cooperation as part of the update process rather than the review process.

8.2. Further, prior to finalisation of this report, internal consultation has included discussion of the scope of the review with the Joint Executive Advisory Board (see section 15 below) and Planning Policy Board.

9. Key Risks

9.1. Should the Council decide to update the LPSS, key risks relate primarily to current levels of uncertainty relating to the planning reform process. Government has indicated the latest date for plan-makers to submit local plans for examination under the current system as 30 June 2025. This timeframe is clearly unachievable for Guildford borough considering the need for evidence gathering, plan drafting and at least two rounds of consultation prior to submission.

9.2. A likely scenario will thus be the drafting of an updated or new-style Local Plan under a reformed planning system including National Development Management Policies and a new NPPF, however, many requirements of new style plan-making are not yet clear. In order to manage this risk, officers propose that further consideration is given to planning reforms as they emerge and a timetable and budget requirements are proposed in this context. If the Government's reforms do not come to pass, this approach remains prudent.

9.3. Should the Council decide to not update the plan, the plan risks becoming less aligned to national policy over time and less effective as a tool to support decision-taking within a plan-led system.

9.4. Further, there is a risk that the adopted plan may not provide a 5-year housing land supply at some point in the future. The likelihood of this risk being realised is increased once the standard method is used to calculate the Council's 5-year housing land supply figure and should planned housing supply not come forward. Without an update to the Local Plan, the potential exists that any such period, where the Council's strategic housing policies are considered out of date and

NPPF paragraph 11d is engaged, is extended. Should this come to pass, it would weaken the Council's position in relation to refusing planning permission or defending appeals in relation to inappropriate and/or unplanned speculative development. Updating the Local Plan is a clear means by which the Council can mitigate this risk.

10. Financial Implications

10.1. A further report will be prepared which clarifies the budgetary requirements of the Local Plan update. This would be subject to its own decision in terms of approval of budget and timeframes for this undertaking. These details are not yet known and may be influenced by planning reform proposals. As such, this report results in no immediate financial implications for the Council.

10.2. The production of a Local Plan is a costly, time-consuming and resource intensive process, requiring a capacitated internal team alongside funding for specialist evidence base, legal support, community consultation, examination including independent Government Inspector and Programme Officer costs. Estimates several years ago were that the cost of producing a Local Plan were around £1m for a Local Authority over a four-year period[12]. This may be considered somewhat low in terms of accounting for the full cost of production of the Plan. Cost is influenced by the complexity of the Plan, the level of public engagement and the time taken to produce it, amongst other factors.

10.3. The Planning Policy team does not currently hold sufficient budget to support the production of an updated plan with the 2024/25 budget for specialist consulting work in the region of £100,000. Further, a reserve amount that was set aside for Local Plan production has been removed as part of recent savings initiatives. Thus, it is envisaged that subject to agreement that an update of the Plan is required, a further report to be tabled would include a growth bid seeking to cover plan-making costs over a number of financial years.

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[12] See RTPI: Proposals for Planning Reform in England, 2021 available at: https://www.rtpi.org.uk/policy-and-research/planning-for-a-better-future/#M-1.1

11. Legal Implications

11.1. The review is undertaken in line with regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). In this regard, the Council is required to complete the review of the LPSS every five years, starting from the date of adoption of the local plan (i.e., in this case by 25 April 2024).

11.2. Any decision recommended to full Council takes account of the risks, benefits and duties set out in this report.

12. Human Resource Implications

12.1. The decision to update the Plan will be followed up by a detailed report setting out the proposed timescales for this process. The update will require a fully staffed planning policy team and would require inputs from other Council teams during the plan-making process.

13. Equality and Diversity Implications

13.1. Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies. Whilst LPSS policies may materially impact on equality issues, those policies are not being updated by this report. It has therefore been concluded that there are no equality implications arising directly from this report.

13.2. 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. Any future work undertaken in relation to updating of Local Plan policies will, where necessary, include the completion of an Equalities Impact Assessment (EqIA) to demonstrate how the proposed updates impact on persons with protected characteristics.

14. Climate Change/Sustainability Implications

14.1. There are no direct climate change / sustainability implications arising from this report. Should it be concluded that an update to the Local Plan is appropriate, this process will provide an opportunity to consider further policy to support the Council's climate change priorities.

15. Executive Advisory Board comments

15.1. Whilst this committee report has not been tabled at EAB, Joint EAB considered a presentation on the context and scope of the Local Plan review at their meeting on 4 December 2023. The Joint EAB confirmed their understanding of the difference between the current 'review' process compared to any future 'update' process which would entail the full plan-making process and include public participation. They also understood the reasons why the review process was recommending the LPSS be updated.

16. Summary of Options

16.1. The review of the LPSS points to its update being an appropriate course of action. The alternative course of action would be to not update the LPSS, however, over time this would likely result in the Plan becoming less effective. It is in the Council's interests to maintain an up-to-date Local Plan.

17. Conclusion

17.1. In light of the review of the LPSS, officers' recommendation is that the Local Plan should be updated. This will assist in ensuring that the Plan remains effective into the future and responds to existing and imminent changes to National Policy, Guidance and Legislation. Importantly, local changes in circumstance indicate that an update is an appropriate course of action. Should the decision to update the Local Plan be supported, a further report will be prepared to propose appropriate timing for and budgetary requirement of the Local Plan

Update. This would consider planning reform proposals including Government's timescales for initiating 'new style' Local Plans.

18. Background Papers

18.1. None

19. Appendices

19.1. Appendix 1: NPPG extract

19.2. Appendix 2: The NPPF Schedule

19.3. Appendix 3: The PAS Matrix

19.4. Appendix 4: DtC responses summary

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Appendix 1: NPPG extract – Plan Making

(Available at: https://www.gov.uk/guidance/plan-making#plan-reviews)

What can authorities consider when determining whether a plan or policies within a plan should be updated?

The authority can consider information such as (but not exclusively):

- conformity with national planning policy;
- changes to local circumstances; such as a change in Local Housing Need;
- their Housing Delivery Test performance;
- whether the authority can demonstrate a 5 year supply of deliverable sites for housing;
- whether issues have arisen that may impact on the deliverability of key site allocations;
- their appeals performance;
- success of policies against indicators in the Development Plan as set out in their Authority Monitoring Report;
- the impact of changes to higher tier plans;
- plan-making activity by other authorities, such as whether they have identified that they are unable to meet all their housing need;
- significant economic changes that may impact on viability.; and
- whether any new social, environmental or economic priorities may have arisen.

Paragraph: 065 Reference ID: 61-065-20190723

Revision date: 23 07 2019

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Appendix 2: Review of LPSS policies against NPPF/NPPG

The information contained in the following table is intended to indicate the extent to which the LPSS policies continue to be in line with current policy, guidance and planning legislation, and therefore the weight that may continue to be given to them in determining planning applications. They do not attempt to assess the extent to which they may require updating or what evidence base is likely to be necessary to understand how they may be updated. Significant reforms to the plan-making system are being brought in that will facilitate the creation of 'new style' local plans. This is anticipated to be implemented in Autumn 2024. Given the uncertainty regarding the scope and content of new style local plans, it is not considered possible at this time to undertake this level of analysis. Instead, this exercise will be undertaken once these reforms are in place and the Council is in a position to begin to the update to the LPSS/create a new style local plan.

LPSS Chapter / Policy	**Consistency with the NPPF / NPPG?**	**Other comments**
Chapter 4.1: Strategic Policies	Left blank	Left blank
Policy S1: Presumption in favour of sustainable development	The Policy is consistent with the NPPF in particular paragraph 11 which states that plans and decisions should apply a presumption in favour of sustainable development.	

Policy S2: Planning for the borough - our spatial development strategy	Paragraph (1) of Policy S2 includes a housing requirement of 562 dwelling per annum across the plan period (2015 – 2034). In accordance with NPPF paragraph 77, Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their local housing need where the strategic policies are more than five years old. Local housing need is calculated using the standard method. For Guildford this figure is currently 771 dwellings per annum. Paragraph (2) of Policy S2 is consistent with Section 6 of the NPPF by identifying sites for local and inward investment from businesses to meet anticipated needs over the plan period, and with paragraph90, which states that planning policies should "…allocate a range of suitable sites in town centres [for retail and other main town centre uses] to meet the scale and type of development needed, looking at least ten years ahead". The evidence base informing the retail floorspace targets in paragraph (2) was partly updated in 2022, in	A partial update to the Council's 2015 Retail and Leisure Study and 2017 Addendum, focused on need for comparison retail and food and drink uses in the town centre, was undertaken in 2022 in support of a mixed-use planning application (ref 23/P/01211) for the North Street site (LPSS site allocation A5), and reviewed in a Retail Planning Appraisal by Lambert Smith Hampton, commissioned by the Council. This highlighted significantly reduced need for floorspace for retail, and food and drink uses across the town centre.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	respect of need for comparison retail floorspace in the town centre. Paragraph (3) of Policy S2 is consistent with the NPPF and PPTS. However, the definition of a gypsy and traveller has changed. This will need to be considered in future when setting the pitch target for gypsies and travellers (as defined in PPTS Annex 1) which address the likely permanent and transit site accommodation needs of travellers in our area (see PPTS paragraph 9). The LPSS has however taken into account and sought to meet the needs of formerly non-PPTS travellers through its site allocations.	On 19 December 2023 the Government issued an update to PPTS Annex 1 glossary which amends the definition of a gypsy or traveller to now include those that have ceased to travel permanently. The Government intends to review the approach to this area of policy and case law in 2024.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy S3: Delivery of development and regeneration within Guildford Town Centre	The Policy is consistent with the NPPF including the expectation that planning policies promote the long-term vitality and viability of town centres and encourage residential development on appropriate sites (see NPPF paragraphs 86a and f)	
Chapter 4.2: Housing Policies	Left blank	Left blank
Policy H1: Homes for all	The Policy is consistent with the NPPF including the expectation that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people including those who require retirement housing, housing with care and care homes, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) (see NPPF paragraph 63)	H1 (3) Ministry of Housing, Communities and Local Government is now called Department for Levelling Up, Housing and Communities Paragraphs 4.2.20 and 4.2.21 in the reasoned justification will need revising in light of the Government update to PPTS Annex 1 glossary which amends the definition of a gypsy or traveller to now include those that have ceased to travel permanently.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy H2: Affordable homes	The policy is consistent with the NPPF, including Paragraph 64 which states that planning policies should specify the type of affordable housing required where need is identified and that this should be provided on-site unless off-site provision or appropriate financial contribution in lieu can be robustly justified. The requirement in paragraph (4) for a minimum 70% of Section 106 affordable housing contributions to be affordable rent does not conflict with the expectation in the NPPG for a minimum 25% of affordable housing contributions to be First Homes, as this minimum 25% is met within the remaining 30% which paragraph (4) states must be 'other forms of affordable housing'. Paragraph 65 of the NPPF sets a 10-dwelling threshold below which affordable housing provision should not be sought outside of designated rural areas. The threshold for these	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	sites in Policy H2 is 11 or more dwellings, however a higher threshold does not conflict with national policy.	
Policy H3: Rural exception homes	The policy is consistent with the NPPF, which states that planning policies should support housing developments that reflect local needs, including rural exception sites, and allow an element of market housing on these sites for viability purposes (paragraph 82). It is also consistent with the NPPG, which encourages local authorities to produce policies specifying the proportion of market housing considered acceptable on rural exception sites, and under what circumstances.	
Chapter 4.3 Protecting Policies	Left blank	Left blank
Policy P1: Surrey Hills Area of	The Policy is consistent with the NPPF which seeks to conserve and enhance the landscape	The Surrey Hills AONB has been officially renamed as the Surrey Hills National Landscape.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Outstanding Natural Beauty	and scenic beauty in AONBs (see NPPF paragraphs 182 and 183)	Natural England is currently undertaking a review of the AONB boundary however this is still at a relatively early stage. Greater weight will be able to be given to candidate AONB areas as the certainty regarding the proposals increases. Policy P1 will apply to these areas once they designated as AONB by Natural England. The 'Key Evidence' box refers to the Surrey Hills Area of Outstanding Natural Beauty Management Plan 2014-2019. This has been replaced by the Management Plan 2020 – 2025.
Policy P2: Green Belt	The Policy is consistent with the NPPF which set out the exceptions which are not considered inappropriate development (see NPPF paragraphs 154 and 155)	
Policy P3: Countryside	The Policy is consistent with the NPPF which seeks to contribute to and enhance the natural and local environment by recognising the	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	intrinsic character and beauty of the countryside (see NPPF paragraph 180)	
Policy P4: Flooding, flood risk and groundwater protection zones	The policy is consistent with the NPPF, which states that development should be directed away from areas at highest risk of flooding and that, where development in these areas is necessary, it should be made safe for its lifetime without increasing flood risk elsewhere. . The NPPF now expects planning policies to protect and improve water quality. Paragraph (6) of the policy is consistent with this through its protection for Groundwater Source Protection Zones and Principal Aquifers. The PPG now has guidance on water quality that reflects the Water Environment Regulations (WER). The WER replace the Water Framework Directive (WFD) so supporting text references in the policy to the WFD are out of date.	LPDMP Policy P10 (9) extends protection to surface Source Protection Zones and all Drinking Water Protected Areas in accordance with the designations on Defra's Magic Map and EA position statements. Protection, enhancement and restoration of some waterbodies against specified targets are now required by the WER.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy P5: Thames Basin Heaths Special Protection Area	The policy is consistent with the NPPF though some terminology has changed. Policy P5 protects the Thames Basin Heaths Special Protection Area. The content is compliant with the NPPF. The policy refers to “European Sites” in accordance with the NPPF 2012. However, the NPPF 2021 replaces this with “habitats sites”. Special Protection Areas receive the same protection as before. The NPPF replaces references to the Habitats Directive with references to the Conservation of Habitats and Species Regulations 2017.	The evidence box refers to “The Conservation of Habitats and Species Regulations 2010” rather than the current version dated 2017. The 2017 update consolidated amendments but did not alter the legal context.
Chapter 4.4 Economy Policies	Left blank	Left blank
Policy E1: Meeting employment and retail needs	Policy E1 is consistent with the NPPF, Section 6 of which indicates that planning policies should proactively support economic growth and productivity, taking account of local business needs and wider development opportunities, and identify strategic sites for local and inward	The references in paragraphs (1) and (2) to Class A (and B1a, B1b and B1c uses are no longer correct as these uses were replaced in the Use Classes Order (UCO) in September 2020 by Class E and sui generis uses. However, the description of

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	investment to meet anticipated needs over the plan period.	the uses for which land allocated by the LPSS is designated (office, research & development, industrial, retail, and food and drink) remain the same in the amended UCO and are referenced in the list of uses in LPSS Appendix 2: Glossary. The policy references therefore continue to be for these uses, regardless of the change to their use class. A partial update to the Council's 2015 Retail and Leisure Study and 2017 Addendum, focused on need for comparison retail and food and drink uses in the town centre, was undertaken in 2022 in support of a mixed-use planning application (ref 23/P/01211) for the North Street site (LPSS site allocation A5), and reviewed in a Retail Planning Appraisal by Lambert Smith Hampton, commissioned by the Council. This highlighted significantly reduced need

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
		for floorspace for retail and food and drink uses across the town centre.
Policy E2: Location for new employment floorspace	The policy is consistent with the NPPF, Section 6 of which indicates that planning policies should proactively support economic growth and productivity, taking account of local business needs and wider development opportunities. Paragraphs (2) and (6) offer flexibly worded support for economic development proposals which accord with the NPPF requirement for policies to be sufficiently flexible to accommodate needs not anticipated in the Plan and to adapt to changes in economic circumstances.	The references in paragraph (3) to Use Classes B1a and B1b and in paragraph (7) to Use Class B1c are no longer correct as these uses were replaced by Use Classes E (g) (i), (ii) and (iii) respectively in the Use Classes Order amended September 2020. However, the description of these uses is unchanged in the amended Use Classes Order and is referenced in LPSS Appendix 2: Glossary, so the policy references therefore continue to be for these uses, regardless of the change to their use class.

Policy E3: Maintaining employment capacity and improving employment floorspace	The policy is consistent with the NPPF, paragraph 86 of which states that planning policies should 'identify strategic sites for local and inward investment to match the strategy and to meet anticipated needs over the plan period'. The sites that the policy designates for protection against redevelopment or change of use to non-employment uses accord with NPPF paragraph 87 by allowing clustering of industries and through their varied scale and suitably accessible locations. Neither the NPPF or NPPG specify an appropriate period for marketing employment sites and uses; however, the sliding scale in Policy E3 is still considered appropriate and the time periods sufficient to test the market and to allow for changes in market conditions.	The references in the policy and paragraph 4.4.34 to Use Classes B1a, B1b and B1c are no longer correct as these uses were replaced by Use Classes E(g)(i), (ii) and (iii) respectively in the Use Classes Order as amended September 2020. However, the description of these uses is the same in the amended Use Classes Order and is referenced in LPSS Appendix 2: Glossary, so the policy references continue to be for these uses, regardless of the change to their use class. The part of the Woodbridge Meadows Strategic Employment Site (Policy E3, para (4)(f)) to the south of the railway line may no longer be a suitable strategic location for industrial uses, since current employment premises there are offices and research and development uses, and there are also a number of recently developed residential/student accommodation uses within this part of the designated boundary with which any

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
		future industrial uses would likely conflict.
Policy E4: Surrey Research Park	Policy E4 is consistent with the NPPF, Section 6 of which indicates that planning policies should proactively support economic growth and productivity, taking account of local business needs and wider development opportunities. Paragraph (4) is consistent with the requirements of Section 12 and paragraph 135 of the NPPF which indicate that development sites should be visually attractive and sympathetic to existing local character.	
Policy E5: Rural economy	The policy is consistent with NPPF para 88 which states that planning policies should enable the sustainable growth and expansion of all types of business in rural areas, through conversion of existing buildings and well-designed new buildings; support the development and diversification of agricultural and other land-based rural (including tourism and leisure) businesses; and support the retention and	The reference in paragraph (5) to Use Class A1 is no longer correct as the uses previously in this Use Class were split up in the Use Classes Order amended September 2020 into Class E(a), (b) and (c). Whilst Use Class A1 no longer exists the policy makes it clear that it is seeking to protect shops and services that provide for everyday needs in rural areas

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	development of accessible local services and community facilities. The reference at paragraph (4) to the sequential test for main town centre uses not being applicable to small scale rural development is consistent with NPPF paragraph 93.	outside of centres. Therefore, the policy references to Use Class A1 continue to be for these shops and services, regardless of the change to their use class.
Policy E6: The leisure and visitor experience	Paragraph (1) (c) is consistent with NPPF paragraph 88 c) which states that "planning policies should enable… sustainable rural tourism and leisure developments which respect the character of the countryside [i.e., rural areas]." The impact assessment for new leisure uses on unallocated land outside of designated centres (referenced in policy paragraph (2)) remains consistent with the NPPF (paragraph 94-95) and NPPG. The locally set threshold of 500 sqm gross floorspace above which an impact assessment is required is proportionate and consistent with NPPF paragraph 94. The protection for existing leisure and visitor attractions in paragraph (3) is consistent with	The protection for existing uses within paragraph (3) has been reduced in scope of application by the introduction of Class E into the Use Classes Order (Sept 2020), however the policy refers to the description of the uses and so these references remain relevant. Paragraphs (2 and (3) of the policy are now applied where planning permission for change of use is still required and may be applied on a case-by-case basis where planning permission is sought for operational reasons only.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	the requirement of NPPF paragraph 88 d) that planning policies should enable "the retention… of accessible local services and community facilities, such as …sports venues, open space [and] cultural buildings."	
Policy E7: Retail and leisure uses in Guildford Town Centre	The policy is consistent with NPPF paragraph 90, which states that planning policies should define a hierarchy of centres and promote their long-term vitality and viability, define the extent of centres and primary shopping areas, and make clear the range of uses permitted in them. The impact assessment for new retail and leisure uses on unallocated land outside of designated centres (referenced in policy paragraph (2)) remains consistent with the NPPF (paragraph 94-95) and NPPG. The locally set threshold of 500 sqm gross floorspace above which an impact assessment is required is	The references to Class A (A1-A5) uses are out of date as these uses were replaced in the Use Classes Order by Class E and sui generis uses (UCO amendment Sept 2020). However, the description of these uses is the same in the amended Use Classes Order and is referenced in LPSS Appendix 2: Glossary, so the policy references continue to be for these uses, regardless of the change to their use class. The policy is applied where planning permission for change of use is still required and may also be applied on a case-by-case basis where planning permission is sought for operational reasons only.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	proportionate and consistent with NPPF paragraph 94. The sequential test for main town centre uses (paragraph 4.4.88) also remains consistent with the NPPF (paragraphs 91-93) and NPPG.	
Policy E8: District Centres	The policy is consistent with NPPF paragraph 90, which states that planning policies should define a hierarchy of centres and promote their long-term vitality and viability, define the extent of centres, and make clear the range of uses permitted in them. The sequential test for main town centre uses (paragraph 3) remains consistent with the NPPF (paragraphs 91-93) and NPPG. The impact assessment for new retail and leisure uses on unallocated land outside of designated centres (referenced in policy paragraph (4)) also remains consistent with the NPPF (paragraph 94-95) and NPPG. The locally set threshold of 500 sqm gross floorspace above which an impact assessment is required is	The references to Class A (A1-A5) uses are out of date as these uses were replaced in the Use Classes Order by Class E and sui generis uses (UCO amendment Sept 2020). However, the description of these uses is the same in the amended Use Classes Order and is referenced in LPSS Appendix 2: Glossary, so the policy references continue to be for these uses, regardless of the change to their use class. The policy is applied where planning permission for change of use is still required and may also be applied on a case-by-case basis where planning

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	proportionate and consistent with NPPF paragraph 94.	permission is sought for operational reasons only.
Policy E9: Local Centres and isolated retail units	The policy is consistent with NPPF paragraph 90, which states that planning policies should define a hierarchy of centres and promote their long-term vitality and viability, define the extent of centres, and make clear the range of uses permitted in them. NPPF paragraphs 88 d), 96 c) and 97 a) all support the approach in E9 (10) towards retention of essential local shops and services as important community facilities. The sequential test for main town centre uses (paragraph (6)) remains consistent with the NPPF (paragraphs 91-93) and NPPG. The impact assessment for new retail and leisure uses on unallocated land outside of designated centres (referenced in policy paragraph (7)) also remains a requirement of the NPPF (paragraph 94-95) and NPPG. The	The references to Class A (A1-A5) uses are out of date as these uses were replaced in the Use Classes Order by Class E and sui generis uses (UCO amendment Sept 2020). However, the description of these uses is the same in the amended Use Classes Order and is referenced in LPSS Appendix 2: Glossary, so the policy references continue to be for these uses, regardless of the change to their use class. The policy is applied where planning permission for change of use is still required and may also be applied on a case-by-case basis where planning permission is sought for operational reasons only.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	locally set threshold of 500 sqm gross floorspace above which an impact assessment is required is proportionate and consistent with NPPF paragraph 94.	
Chapter 4.5 Design Policies	Left blank	Left blank
Policy D1: Place shaping	The Policy is consistent with the NPPF which set out the importance of achieving well designed places (see NPPF paragraphs 134 and 135)	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy D2: Climate change, sustainable design, construction, and energy	The Policy is consistent with the NPPF (paras 163-165) where the policy sets out ways that new development can reduce the impact on the environment, generally supports energy efficiency and renewable/low carbon energy improvements in existing buildings and encourages resilience to the impacts of climate change.	Climate change is now an inherent part of the NPPF and is present in sections such as design and open space. The importance attributed to climate change has significantly increased since the LPSS was adopted, LPDMP Policies D14-17 respond to this by further strengthening the Council's climate change policies. LPSS Policy D2 Criteria (5), (6), (7) and (9) and have been superseded by LPDMP Policy D16 Criteria (1), (2), (3) and (4), respectively. This was to reflect changes to Building Regulations and national policy.
Policy D3: Historic environment	The Policy is consistent with and builds on the guidance/policies within the NPPF which set out the importance of safeguarding the historic environment (see NPPF paragraphs 196 & 203)	
Chapter 4.6 Infrastructure Policies	Left blank	Left blank

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy ID1: Infrastructure and delivery	The Policy is consistent with the NPPF including the expectation that Plans make sufficient provision for infrastructure and that this can be secured through developer contributions (see NPPF paragraphs 20b and c, and 34)	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy ID2: Supporting the Department for Transport's "Road Investment Strategy"	Paragraph (1) is consistent with NPPF para 108b in considering that opportunities from proposed transport infrastructure are realised. Paragraph (2) is consistent with the NPPG on Transport evidence bases in plan making and decision taking.	This policy is no longer a method through which it can be determined if a Local Plan review is required, given the current trajectory of delivery. Individual assessment of sites at the point of application is considered to adequately determine cumulative impacts, in line with NPPF para 115.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Policy ID3: Sustainable transport for new developments	Paragraph (1) is consistent with national policy, specifically NPPF paras 108, 114. Paragraph (2) is consistent with national policy, specifically NPPF paras 108, 109, 114, 116. Paragraph (3) SPD not progressed. See Policy ID10 for proposed routing of SMC and other cycling infrastructure. Paragraph (4)(a) is generally consistent with NPPF para 114d, 115. Para 4(b) has been superseded by Policy ID10. Paragraph (5) is consistent with national policy, specifically para 114a, 109. Paragraph (6) is consistent with national policy, specifically NPPF paras 114 & 115. Paragraph (7) is consistent with NPPF paras 20b, 34. Not consistent with para 110d, needs to	Para (1) – proposals may now go further i.e., reducing the need to travel, inclusion of micromobility options. Para (2) – as above. Para (3) - SPD has not been progressed and is not likely to be progressed. However, it is still an aspiration and need for sites close to the proposed SMC (and other walking, cycling and public transport infrastructure) to contribute to its development as part of off-site mitigation. Para (9) the validation list is in the process of being updated. Para (10) - does not align with Guildford Parking Study (2020) (did not identify a need for more public car parking) or recent town centre masterplanning work to encourage modal shift. Not favourable to promote further.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	mention Local Cycling and Walking Infrastructure Plans in preparation. Paragraph (8) is consistent with national policy, specifically NPPF para 34. Paragraph (9) is consistent with national policy, NPPF para 117 and the NPPG 'Travel Plans, Transport Assessments and Statements'. Paragraph (10) the notion to dissuade cross-town vehicle trips, aiming to eliminate unnecessary congestion and further negative impact on air quality is generally in line with national policies. However, please see next column.	
Policy ID4: Green and blue infrastructure	The policy is consistent with the NPPF. It does not replicate all the issues covered by the NPPF and in certain instances provides additional policy. The policy requires developments to "Aim to achieve a net gain in biodiversity where appropriate". However, in the NPPF 2023 (180) it states "Planning policies and decisions should	The LPDMP already goes beyond ID4 and the Environment Act by requiring qualifying schemes to achieve 20% BNG, bringing the Local Plan as a whole into compliance. The definition of green infrastructure at 4.6.37 has been expanded in the new NPPF to include all natural features with

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	contribute to and enhance the natural and local environment by… providing net gains for biodiversity” and under the Environment Act from January 2024 BNG will be mandatory. “Aim to” and “where appropriate” may not be considered aligned with this. Qualifying development must achieve a 10% BNG under the Environment Act and the wording of ID4 does not make this clear.	benefits that now specifically include economic, health and wellbeing benefits for climate, local and wider communities and prosperity. The policy does not reference the statutory Local Nature Recovery Strategy however this is covered by the LPDMP. The NPPF (102) adds nature and climate change as potential benefits of open space, which the policy as a whole is aligned with. The NPPF (103c) now clarifies that loss of open space policy now also applies to a former use as well as current use. The supporting text refers to an 8m buffer for main rivers, which is out of alignment with the 10m now specified by the EA. This supporting text is in any case superseded by LPDMP Policy P10(5).
Sites	Left blank	Left blank

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	Paragraph 126 of the NPPF states that: Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan: a) it should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and b) in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area. Annual reviews are undertaken as part of the Land Availability Assessment. This assesses sites' suitability, availability and deliverability/developability. Whilst site	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	allocations are in principle considered suitable for the use that they are allocated for; a further detailed consideration will be undertaken as part of the planning application process. As part of any update to the plan, consideration will need to be given to any sites which are as yet substantially unimplemented to determine whether they are still suitable for the use identified and whether they should be re-allocated in the new plan.	
Appendices	Left blank	Left blank
Appendix 1: Housing Trajectory	The Housing Trajectory is updated annually as part of the Council's Land Availability Assessment which informs the five year land supply position.	
Appendix 2: Glossary	**A uses:** Use Classes A1-A3 of the Use Classes Order 1987 (as amended) were subsumed within Use Class E in amendments to the Order	

	in September 2020, whilst Use Classes A4 and A5 were reclassified as sui generis. **Affordable Housing:** The entry includes all the affordable products referred to in Annex 2 of the NPPF and is therefore consistent with the NPPF. First Homes – which the NPPG now covers – are a form of discounted market housing and sold at a minimum discount of 30% against market value (therefore 'at least 20% below market value'), and thus covered by the existing LPSS Appendix 2 definition. **B uses:** Use Classes B1(a), B1(b) and B1(c) were replaced by Use Classes E(g)(i), E(g)(ii) and E(g)(iii) respectively in amendments to the Use Classes Order in September 2020. **Entry-level exception site:** New wording from NPPF 2023 in red: 'update to paragraph 73' **Green Infrastructure**: The definition is consistent with the NPPF, but with omissions in detail. The LPSS defines it as "a network of multi-functional green space" which the NPPF 2021 extends to "blue spaces and other natural features". The LPSS refers to the "wide range of environmental and quality of life benefits for	

	local communities" which the NPPF 2021 extends to "a wide range of economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity". Notably, the NPPF 2021 adds economic benefit to the social and environmental benefit identified in the LPSS glossary, which the LPDMP is consistent with where it references natural capital and ecosystem services. **Habitat Regulations Assessment (HRA)**: The LPSS refers to the Habitats Directive. The NPPF 2021 replaces the directive with references to the Conservation of Habitats and Species Regulations 2017. **Strategic Environmental Assessment SEA) / Sustainability Appraisal (SA)**: This refers to the European SEA Directive but should now refer to the Environmental Assessment of Plans and Programmes Regulations 2004. **Local Transport Plan (LTP)** "Under the Transport … Surrey County Council's Local Transport Plan is called ~~the 'Surrey Transport Plan'~~ Local Transport Plan (LTP4). **Older people**	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
	New wording from NPPF 2023 in red: 'People over <u>or approaching</u> retirement age…' **Sustainable transport modes** Any efficient, safe and accessible means of transport with overall low impact on the environment, including walking and cycling, ~~low and ultra low emission vehicles~~, car sharing and public transport. **Traffic calming** Works to slow down ~~and/or discourage~~ motor traffic. These may include road humps, rumble strips, raised sections of road known as tables and "gateways" at the entrance to settlements.	
Appendix 3: Maps showing 500m Catchment of Public Transport Interchange		Would be more effective as isochrone along available routes.

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Appendix 4: Evidence of active and comprehensive marketing	The NPPF does not specify how Local Plans should deal with the loss of employment sites, local shops and services that provide for everyday needs, tourism and visitor and cultural uses, but maintains the importance of developing and retaining these uses. Appendix 4 provides a more detailed framework of criteria for assessing the evidence of marketing required by LPSS policies E3, E5, E6 and E9, and LPDMP Policies ID7 and ID8, for planning applications that would result in their loss.	

Appendix 5: Hierarchy of retail and service centres and Guildford Town Centre shopping frontages	The first part of Appendix 5 (Hierarchy of retail and service centres) is consistent with the NPPF, in particular paragraph 90, which sets out that planning policies should define a hierarchy of town centres and promote their long-term vitality and viability; define the extent of town centres and primary shopping areas and make clear the range of uses permitted in such locations; retain and enhance markets; allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed looking at least 10 years ahead; and recognise that residential development often plays an important role in ensuring the vitality of centres. The second part of Appendix 5 (Guildford Town Centre shopping frontages) refers to primary and secondary frontages, which have been removed from the NPPF. Nevertheless, their inclusion in the LPSS remains consistent insofar as they are used to make clear the range of retail and other uses appropriate in certain parts of the town centre.	

LPSS Chapter / Policy	Consistency with the NPPF / NPPG?	Other comments
Appendix 6: Infrastructure Schedule	The infrastructure schedule published in the LPSS was a snapshot in time based on the best available evidence. All schemes listed will need to be reappraised in light of the most recent evidence and any changed circumstances as part of the planning application process to understand what supporting infrastructure is necessary to support planned growth.	

Appendix 3: PAS LOCAL PLAN ROUTE MAPPER TOOLKIT PART 1 - LOCAL PLAN REVIEW ASSESSMENT

Why you should use this part of the toolkit

The following matrix will assist you in undertaking a review of policies within your plan to assess whether they need updating.

The matrix is intended to supplement the National Planning Policy Framework (NPPF) (paragraph 33 in particular) and the associated National Planning Practice Guidance on the review of policies within the plan. Completing the matrix will help you understand which policies may be out of date for the purposes of decision making or where circumstances may have changed and whether or not the policy / policies in the plan continue to be effective in addressing the specific local issues that are identified the plan. This in turn will then help you to focus on whether and to what extent, an update of your policies is required. We would recommend that you undertake this assessment even if your adopted local plan already contains a trigger for review which has already resulted in you knowing that it needs to be updated. This is because there may be other policies within the plan which should be, or would benefit from, being updated.

This part of the toolkit deals only with local plan review. Part 2 of the toolkit sets out the content requirements for a local plan as set out in the NPPF. Part 3 of the toolkit outlines the process requirements for plan preparation set out in legislation and the NPPF. Soundness and Plan Quality issues are dealt with in Part 4 of the toolkit.

How to use this part of the toolkit

Before using this assessment tool it is important that you first consider your existing plan against the key requirements for the content of local plans which are included in the Planning and Compulsory Purchase Act 2004 (as amended); The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) and the most up to date NPPF, PPG, Written Ministerial Statements and the National Model Design Code. To help you with this **Part 2 of the toolkit** provides a checklist which sets out the principal requirements for the content and form of local plans against the relevant paragraphs of the NPPF. Completing **Part 2 of the toolkit** will help you determine the extent to which your current plan does or does not accord with relevant key requirements in national policy. This will assist you in completing question 1 in the assessment matrix provided below, and in deciding whether or not you need to update policies in your plan, and to what extent.

To use the matrix, consider each of the statements listed in the "requirements to consider" column against the content of your current plan. You will need to take into consideration policies in all development plan documents that make up your development plan, including any 'made' neighbourhood plans and/ or any adopted or emerging Strategic Development Strategy. For each statement decide whether you:

- Disagree (on the basis that your plan does not meet the requirement at all);
- Agree (on the basis that you are confident that your current plan will meet the requirement)

Some prompts are included to help you think through the issues and support your assessment. You may wish to add to these reflecting on your own context.

Complete all sections of the matrix as objectively and fully as possible. Provide justification for your conclusions with reference to relevant sources of evidence where appropriate. You will need an up to date Authority Monitoring Report, your latest Housing Delivery Test results, 5 year housing land supply position, any local design guides or codes and the latest standard methodology housing needs information. You may also need to rely on or update other sources of evidence but take a proportionate approach to this. It should be noted that any decision not to update any policies in your local plan will need to be clearly evidenced and justified.

How to use the results of this part of the toolkit

The completed assessment can also be used as the basis for, or as evidence to support, any formal decision of the council in accordance with its constitution or in the case of, for example, Joint Planning Committees, the relevant Terms of Reference in relation to the approach to formal decision-making, as to why an update to the local plan is or is not being pursued. This accords with national guidance and supports the principle of openness and transparency of decision making by public bodies.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A	**PLAN REVIEW FACTORS**		
A1.	**The plan policies still reflect current national planning policy requirements.** **PROMPT:** As set out above in the introductory text, in providing your answer to this statement consider if the policies in your plan still meet the 'content' requirements of the current NPPF, PPG, Written Ministerial Statements and the National Model Design Code (completing Part 2 of the toolkit will help you determine the extent to which the policies in your plan accord with relevant key requirements in national policy).	Mainly agree	**Reason (with reference to plan policies, sections and relevant evidence):** • LPSS prepared and examined under transitional arrangements and NPPF 2012 • Changes to the Use classes order in particular new Class E are significant and likely to impact on retail and office policies. • The Government intends to introduce plan-making reforms in Autumn 2024 with a requirement that all local planning authorities replace existing local plans by preparing 'new style' local plans. Part 2 of the toolkit relates to the existing NPPF which is expected to change. It will be necessary to assess the extent to which

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
			existing policies accord with national policy following the introduction of the new plan-making system.
A2.	**There has not been a significant change in local housing need numbers from that specified in your plan (accepting there will be some degree of flux).** **PROMPT:** Look at whether your local housing need figure, using the standard methodology as a starting point, has gone up significantly (with the measure of significance based on a comparison with the housing requirement set out in your adopted local plan). Consider whether your local housing need figure has gone down significantly (with the measure of significance based on a comparison with the housing	Disagree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • Present Standard Method is significantly higher (779 dwellings per annum) than the housing requirement in the LPSS, which is set out under LPSS Policy S2 as 562 dwellings per annum over the plan period (2015-2034).

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
	requirement set out in your adopted local plan). You will need to consider if there is robust evidence to demonstrate that your current housing requirement is deliverable in terms of market capacity or if it supports, for example, growth strategies such as Housing Deals, new strategic infrastructure investment or formal agreements to meet unmet need from neighbouring authority areas.		
A3.	**You have a 5-year supply of housing land** **PROMPT:** Review your 5-year housing land supply in accordance with national guidance including planning practice guidance and the Housing Delivery Test measurement rule book.	Agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • Currently able to demonstrate a 5YHLS and HDT.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A4.	**You are meeting housing delivery targets** **PROMPT:** Use the results of your most recent Housing Delivery Test, and if possible, try and forecast the outcome of future Housing Delivery Test findings. Consider whether these have/are likely to trigger the requirement for the development of an action plan or trigger the presumption in favour of sustainable development. Consider the reasons for this and whether you need to review the site allocations that your plan is reliant upon. In doing so you need to make a judgement as to whether updating your local plan will support delivery or whether there are other actions needed which are not dependent on changes to the local plan.	Agree	• The Council has moved from having to provide a 20% buffer to a 5% buffer in April 2020 when calculating the 5YHLS based on the results of the Housing delivery Test. This has contributed to our ability to demonstrate a robust and healthy 5YHLS. • The ability to maintain this (both with the LPSS figure and the Standard Method figure when this is applicable after 5 years) will depend largely on the progress and delivery of the strategic sites. It is important to note that there is a considerable time lag from when a planning application is permitted, particularly if only an outline permission, to when it is actually delivering housing completions. Any delays to planning permissions, particularly on the larger strategic sites, will have a significant impact on the short term delivery of homes and the ability to maintain a rolling five year supply.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A5.	**Your plan policies are on track to deliver other plan objectives including any (i) affordable housing targets including requirements for First Homes; and (ii) commercial floorspace/jobs targets over the remaining plan period.** **PROMPT:** Use (or update) your Authority Monitoring Report to assess delivery.	Mainly agree	• Affordable housing delivery remains at a relatively low level however it is envisaged that this will increase significantly when the strategic sites begin delivering • The LPDMP includes a policy on First Homes • The majority of the commercial and retail need has not been delivered yet. This needs to be re-assessed in light of the changes to the economy and the scale of the need following COVID. Recent evidence provided re retail need in relation to a planning application indicated a significant fall in retail need from the figure used in the 2019 LP.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A6.	**There have been no significant changes in economic conditions which could challenge the delivery of the Plan, including the policy requirements within it.** **PROMPT:** A key employer has shut down or relocated out of the area. Unforeseen events (for example the Covid-19 Pandemic) are impacting upon the delivery of the plan. Up-to-date evidence suggests that jobs growth is likely to be significantly more or less than is currently being planned for. Consider if there is any evidence suggesting that large employment allocations will no longer be required or are no longer likely to be delivered. You will need to consider whether such events impact on assumptions in your adopted local plan which	Disagree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • An updated assessment of employment needs is required as there has likely been significant changes since the plan was adopted. • There is uncertainty regarding the appetite to provide the allocated employment space of the strategic sites. • Applicants have been claiming lack of demand for strategic office facilities in part as a result of the increase of working from home. • The Employment policies do allow for marketing evidence to be provided in support of changes of use.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
	have led to a higher housing requirement than your local housing need assessment indicates. Consider what the consequences could be for your local plan objectives such as the balance of in and out commuting and the resultant impact on proposed transport infrastructure provision (both capacity and viability), air quality or climate change considerations.		

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A7.	**There have been no significant changes affecting viability of planned development.** **PROMPT:** You may wish to look at the Building Cost Information Service (BCIS) All-in Tender Price Index, used for the indexation of Community Infrastructure Levy (CIL), or other relevant indices to get a sense of market changes. Consider evidence from recent planning decisions and appeal decisions to determine whether planning policy requirements, including affordable housing, are generally deliverable. Ongoing consultation and engagement with the development industry may highlight any significant challenges to delivery arising from changes in the economic climate.	Mainly agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • The LPDMP is supported by a Viability Study. This has re-assessed the viability implications of the LPSS requirements to understand what headroom is available to support the requirements in the LPDMP. This concludes that the cumulative requirements of both plans do not threaten the overall delivery of the Local Plan. • Viability concerns at planning application stage tend to be limited to sites with abnormal costs. • The impacts on viability of the significant changes in interest rates and inflation have not been considered through the recent plan making process.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A8.	**Key site allocations are delivering, or on course to deliver, in accordance the local plan policies meaning that the delivery of the spatial strategy is not at risk.** **PROMPT:** Identify which sites are central to the delivery of your spatial strategy. Consider if there is evidence to suggest that lack of progress on these sites (individually or collectively) may prejudice the delivery of housing numbers, key infrastructure or other spatial priorities. Sites may be deemed to be key by virtue of their scale, location or type in addition to the role that may have in delivering any associated infrastructure.	Mainly agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • The strategic sites are key to providing housing and commercial development. Their delivery has been slower than originally anticipated. • There is uncertainty regarding the impact of the cancellation of the A3 scheme. Work is underway with GBC, SCC and National Highways to consider alternative transport improvements in relation to the A3. • The A3/M25 DCO is currently under construction.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A9.	**There have been no significant changes to the local environmental or heritage context which have implications for the local plan approach or policies.** **PROMPT:** You may wish to review the indicators or monitoring associated with your Sustainability Appraisal (SA) / Strategic Environmental Assessment (SEA) / Habitats Regulations Assessment (HRA). Identify if there have been any changes in Flood Risk Zones, including as a result of assessing the effects of climate change. Consider whether there have been any changes in air quality which has resulted in the designation of an Air Quality Management Area(s) or which would/could result in a likely significant effect on a European designated site which could impact on the ability to deliver housing or employment allocations. Consider whether there have been any changes to	Mainly agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • The LPDMP contains further policies on heritage and environmental (climate change and biodiversity) • There is ongoing work with the Environment Agency in relation to a Guildford Town Centre Flood Alleviation Scheme. • There is a new Air Quality Management Area in Guildford town centre. The LPDMP includes a policy on air quality. • Natural England is currently undertaking a review of the Surrey Hills National Landscape boundary which is expected to increase the extent of it within GBC. This may have consequential impacts that would need to be addressed as part of the update to the LPSS.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
	Zones of Influence / Impact Risk Zones for European sites and Sites of Special Scientific Interest or new issues in relation to, for example, water quality. Consider whether there have been any new environmental or heritage designations which could impact on the delivery of housing or employment / jobs requirements / targets. Consider any relevant concerns being raised by statutory consultees in your area in relation to the determination of individual planning applications or planning appeals which may impact upon your plan - either now or in the future.		

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A10.	**No new sites have become available since the finalisation of the adopted local plan which require the spatial strategy to be re-evaluated.** **PROMPT:** Consider if there have been any new sites that have become available, particularly those within public ownership which, if they were to come forward for development, could have an impact on the spatial strategy or could result in loss of employment and would have a significant effect on the quality of place if no new use were found for them. Consider whether any sites which have now become available within your area or neighbouring areas could contribute towards meeting any previously identified unmet needs.	Agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • There has been some windfall development in Guildford town centre and the inset villages however they accord with the LPSS spatial strategy. The number of additional homes gained has compensated for the delays to the strategic sites with more now anticipated to deliver post the plan period.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A11.	**Key planned infrastructure projects critical to plan delivery are on track and have not stalled / failed and there are no new major infrastructure programmes with implications for the growth / spatial strategy set out in the plan.** **PROMPT:** You may wish to review your Infrastructure Delivery Plan / Infrastructure Funding Statement, along with any periodic updates, the Capital and Investment programmes of your authority or infrastructure delivery partners and any other tool used to monitor and prioritise the need and delivery of infrastructure to support development. Check if there have been any delays in the delivery of critical infrastructure as a result of other processes such as for the Compulsory Purchase of necessary land. Identify whether any funding announcements or decisions have been made which materially impact	Mainly agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • Relocation of the Sewage Treatment Works to facilitate the delivery of WUV is on track • The need for new secondary schools is being assessed by SCC however the LPSS provides for this re-assessment. • The Ash Road Bridge is under construction. • See above (A8) regarding the cancellation of the A3 scheme and commencement of the A3/M25 Junction 10 improvements

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
	upon the delivery of key planned infrastructure, and if so, will this impact upon the delivery of the Local Plan.		

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A12.	**All policies in the plan are achievable and effective including for the purpose of decision-making.** **PROMPT:** Consider if these are strategic policies or those, such as Development Management policies, which do not necessarily go to the heart of delivering the Plan's strategy. Identify if there has been a significant increase in appeals that have been allowed and /or appeals related to a specific policy area that suggest a policy or policies should be reviewed. Consider whether there has been feedback from Development Management colleagues, members of the planning committee, or applicants that policies cannot be effectively applied and / or understood.	Agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • LPSS contains mainly strategic policies • The LPDMP provides further clarity/detail • The policies have been found to be robust through the appeal process over the last 5 years with a high success rate. • The new plan-making system proposes to introduce a set of national development policies which must not be replicated by local DM policies.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A13.	**There are no recent or forthcoming changes to another authority's development plan or planning context which would have a material impact on your plan / planning context for the area covered by your local plan.** **PROMPT:** In making this assessment you may wish to: ● Review emerging and adopted neighbouring authority development plans and their planning context. ● Review any emerging and adopted higher level strategic plans including, where relevant, mayoral/ combined authority Spatial Development Strategies e.g. The London Plan. ● Review any relevant neighbourhood plans ● Consider whether any of the matters highlighted in statements A1- A12 for their plan may impact on	Agree	**Reason (with reference to plan policies, sections and relevant evidence sources):** • In terms of LPAs within our immediate housing market area – both have reviewed their strategic plans and concluded that new updated Local Plans should be prepared. Both authorities have a local housing need figure through the standard method that is higher than that adopted in their most recent strategic plans.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
	your plan - discuss this with the relevant authorities. ● Consider any key topic areas or requests that have arisen through Duty to Cooperate or strategic planning discussions with your neighbours or stakeholders - particularly relating to meeting future development and /or infrastructure needs.		

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
A14.	**There are no local political changes or a revised / new corporate strategy which would require a change to the approach set out in the current plan.** **PROMPT:** In making this assessment you may wish to: ● Review any manifesto commitments and review the corporate and business plan. ● Engage with your senior management team and undertake appropriate engagement with senior politicians in your authority. ● Consider other plans or strategies being produced across the Council or by partners which may impact on the appropriateness of your current plan and the strategy that underpins it, for instance, Growth Deals, economic growth plans, local industrial strategies produced by the Local Economic Partnership, housing/ regeneration	To be explored further	**Reason (with reference to plan policies, sections and relevant evidence sources):** • Renewed emphasis regarding exploring the potential development opportunities on brownfield land and progress with a flood alleviation scheme to unlock future growth in the town centre.

	Matters to consider	Agree / Disagree / Other	Extent to which the local plan meets this requirement
	strategies and so on.		

	ASSESSING WHETHER OR NOT TO UPDATE YOUR PLAN POLICIES	YES/NO (please indicate below)	
A15.	**You AGREE with <u>all</u> of the statements above**	**No**	**<u>If no</u> go to question A16.** **<u>If yes</u>, you have come to the end of the assessment. However, you must be confident that you are able to demonstrate and fully justify that your existing plan policies / planning position clearly meets the requirements in the statements above and that you have evidence to support your position.** **Based on the answers you have given above please provide clear explanation and justification in section A17 below of why you have concluded that an update is not necessary including references to evidence or data sources that you have referenced above. Remember you are required to publish the decision**

			not to update your local plan policies. In reaching the conclusion that an update is not necessary the explanation and justification for your decision must be clear, intelligible and able to withstand scrutiny.
A16.	**You DISAGREE with one or more of the statements above and the issue can be addressed by an update of local plan policies**	Yes	**If yes, based on the above provide a summary of the key reasons why an update to plan policies is necessary in section A17 below and complete Section B below.**
A17.	**Decision: Update plan policies** **Reasons for decision on whether or not to update plan policies (clear evidence and justification will be required where a decision not to update has been reached): See Section 7 of the committee report** **Other actions that may be required in addition to or in place of an update of plan policies: None**		
	B. POLICY UPDATE FACTORS	**YES/NO (please indicate below)**	**Provide details explaining your answer in the context of your plan / local authority area**

B1	**Your policies update is likely to lead to a material change in the housing requirement which in turn has implications for other plan requirements / the overall evidence base.**	**Unsure**	**Whilst the current standard method result for Guildford borough is significantly higher than the LPSS housing requirement, an update to the standard method by Government is anticipated in 2025. We cannot be sure what the new standard method figure will be for Guildford borough, nor whether there are exceptional circumstances that could justify a different figure, or alternatively that the new standard method figure cannot be met locally. This would need to be tested though examination.**
B2	**The growth strategy and / or spatial distribution of growth set out in the current plan is not fit for purpose and your policies update is likely to involve a change to this.**	**No**	**The spatial strategy based on the spatial hierarchy remains robust in terms of directing development to the most sustainable locations in the first instance.**
B3	**Your policies update is likely to affect more than a single strategic site or one or more strategic policies that will have consequential impacts on other policies of the plan.**	**Unsure**	**All LPSS sites that have not yet been commenced will need to be reassessed as part of the update process and meet the requirements for inclusion within the new Local Plan.**
	You have answered yes to one or more questions above.		**You are likely to need to undertake a full update of your spatial strategy and strategic policies (and potentially non-strategic policies). Use your responses above to complete Section B4.**

	You have said no to <u>all</u> questions (B1 to B3) above		**If you are confident that the update can be undertaken without impacting on your spatial strategy and other elements of the Plan, you are likely to only need to undertake a partial update of policies. Complete Section B4 to indicate the specific parts / policies of the plan that are likely to require updating based on the answers you have given above.**
B4	**Decision: Full Update of Plan Policies** **Reasons for scope of review: The Government intends to implement planning reform which will alter plan-making requirements and 'new style' plans will be necessary from autumn 2024. This changed context weighs in favour of a full update to the LPSS (in the form of a 'new style' Local Plan). It is considered prudent to set the scope of any update (or new style plan) in the context of confirmed emerging updates to national legislation, policy, and guidance as it relates to plan-making.**		

Date of assessment:	12 January 2024

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Appendix 4: Duty to Cooperate (DtC) responses summary

Statutory body	**Summary points**
Environmental Agency	• Lists topics EA expect any Local Plan should cover. • Regarding any further LP update, advice to focus on updating evidence base i.e., SFRA level 1 and 2 and the Water Cycle Study.
Historic England	• Do not consider (other than National Policy and Guidance) that there are any strategic issues or changes in circumstance that fall within their purview of historic policy advice that should be taken into account at this time.
National Highways	• No specific comments other than providing several links to documentation to take account of in review. [These are likely more relevant to any update process].
Natural England	• No changes in circumstance / strategic issues that should be taken into account as part of the reviewing process.
County / Neighbouring Councils	**Summary points**
Mole Valley DC	• MVDC's stage in the plan-making cycle precludes it from being able to take unmet housing need. Even if MVDC were at an earlier stage in the plan preparation cycle, it would be unable to meet unmet housing need from other authorities. • Continue to engage on cross boundary matters.
Rushmoor BC	• Consider that the following cross-boundary duty-to-cooperate matters may require further engagement going forward: Housing need and housing supply; Employments needs and economic development; Infrastructure; The Thames Basin Heaths Special Protection Area; Gypsies, Travellers and Travelling Showpeople; Major sites of more than local significance.
Surrey County Council	• Current Policy H1 does not include any mechanism to ensure that specialist forms of accommodation come forward. Review [Update] should address how the sufficiency of specialist housing delivery will be assessed and what remedial action will be taken if required.

	• Once the revised Surrey Hills AONB boundary is established, consideration will be needed as to whether there should be continued protection of AGLV land not designated AONB, for example through local landscape designation. • Updates to PPG on Flood Risk and Coastal Change (e.g. change in definition of functional floodplain) and the Environment Agency's Climate Change Allowances Guidance should be considered. • Regarding the economy, much of the evidence base is older and prior to the COVID pandemic, which has resulted in changing work patterns for many with more hybrid working and increased online shopping. National policy has also seen the creation of new use classes and further changes to permitted development rights. Local impacts will need to be understood as part of plan-making. • Any update process to consider evidence on net zero and SCC Healthy Streets for Surrey Design Code as supporting document. • Consideration if need for additional early years provision [in any update]. • [Any update to] consider SCC's Local Transport Plan 4 (LTP4) and Local Nature Recovery Strategy (to be developed). • LPSS only makes mention of the old Surrey Waste Plan 2008, and the review should consider the need to update reference to the SWP at the first available opportunity. • Request new and updated local plans be subject to HIA and to include policies requiring certain developments to be informed/accompanied by an HIA.
Surrey Heath BC	• Borough will continue to be constrained and face challenges regarding meeting housing needs in the Borough. • No significant cross boundary issues arising from focus of spatial strategy regarding transport or infrastructure improvements.
Waverley BC	• Undertaking comprehensive update to Local Plan covering both strategic and non-strategic policies.

	• Waverley unlikely to be able to meet any unmet needs from neighbouring authorities. May need to work together to assess the impact of higher housing numbers. • Necessary for Waverley and Guildford to work together, with Surrey County Council and National Highways, to manage any potential impact of development on the A3.
Other	• None received at time of writing.

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Guildford Borough Council

Report to: Joint Executive Advisory Board /Corporate Governance & Standards Committee
Date: 11 January 2024 / 18 January 2024
Ward(s) affected: All
Report of Director: Transformation & Governance
Author: Vicky Worsfold
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Lead Councillor responsible: Richard Lucas
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Report Status: Open

Capital and Investment Strategy 2024/25 – 2028/29

1. Executive Summary

1.1 The capital and investment strategy gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The strategy also details how associated risks are managed and the implications for future sustainability.

1.2 Decisions made now, and during the period of the strategy on capital and treasury management will have financial consequences for the Council for many years into the future. This report, therefore, includes details of the capital programme, any new bids/mandates submitted for approval, plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, service investments and commercial investments. The report also covers the requirements of the Treasury Management Code and the prevailing DLUHC Statutory Guidance.

Capital programme

1.3 The Council has an ambitious Corporate Plan and in order to achieve the targets within that we need to invest in our assets, via capital expenditure. Capital expenditure is split into the General Fund (GF) and Housing Revenue Account (HRA).

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

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

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

General Fund

1.7 The Council has an underlying need to borrow for the GF capital programme of £202 million between 2023/24 to 2028/29.

1.8 Officers have put forward bids, with a net cost over the same period of £9.8 million, increasing this underlying need to borrow to £211.8 million should these proposals be approved for inclusion in the programme.

1.9 The capital programme includes several significant regeneration schemes, which we have assumed will be financed from GF resources. Detailed funding proposals for each scheme will be considered when the Outline Business Case for each scheme is presented to the Executive for approval.

1.10 The main areas of expenditure (shown gross) are:

- £258 million Weyside Urban Village (WUV)
- £35 million Ash Road bridge and footbridge (Total gross cost £44 million, external funding, £36 million, net cost to GBC £8 million)

1.11 Appendix 2 contains a summary of the new bids submitted. Appendix 3 shows the position and profiling of the current programme (2023/24 to 2028/29).

HRA

1.12 The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. A lot of work has been done on stock condition surveys and the results are being analysed with a view to having a robust stock condition assessment which provides 100% stock data over a rolling 5-year programme and allows for effective assessment against Regulatory and legislative standards. This will allow compliance with the new building safety legislation and standards.

1.13 Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has started responding to this and has spent a significant sum on its properties. The budget for 2024/25 and ongoing will see budgets return to more modest levels seen in the past. The capital programme will be funded from HRA capital receipts and reserves. There is also £121 million between 2023/24 and 2028/29 million included for development projects to build or acquire new housing (including WUV). Officers recommend removing the Bright Hill scheme from the HRA programme, as previously reported to Councillors, due to the change in the scope of the scheme being delivered.

1.14 The main areas of major repairs and improvement expenditure are:

- refurbishment, replacement & renewal programme of existing stock, £1.3 million, which includes kitchen & bathroom upgrades, void property refurbishment and roof works

- works to existing stock to comply with changes to standards and legislation, £3.4 million, including replacement fire doors, electrical testing and fire protection works
- mechanical and electrical works £400,000, including central heating systems
- other works of £1.2 million including disabled adaptations

1.15 The main HRA development projects are:

- Guildford Park Car Park: £39 million
- WUV: £49 million
- Foxburrows: £11 million

1.16 Appendix 2 contains a summary of the new bids submitted. Appendices 10 to 12 show the position and profiling of the current programme (2023/24 to 2028/29)

Treasury Management

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

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

1.19 The budget for investment income for 2024/25 is £3 million, based on an average investment portfolio of £86 million, at a weighted average rate of 5%. The budget for debt interest paid is £14.8 million, of which £5.4 million relates to the HRA and £7.9 million is being capitalised and added to the cost of schemes in the capital programme, which is a net cost to the General Fund of £1.5 million for the year.

Service and Commercial investments

1.20 Councils can invest to support public services by lending to or buying shares in other organisations (service investments) or to earn investment income (commercial investments, where earning a return is the primary purpose).

1.21 Investment property (primary purpose is to earn a yield) is valued at £178 million, as per the 2022/23 unaudited Statement of Accounts, with rent receipts of £9.2 million, and a yield of 5.7%. The Council is not making any future purchases solely for yield, which is in line with the government guidelines.

1.22 The Council has invested £25.3 million in our housing company – North Downs Housing Ltd (NDH). This is via 40% equity to Guildford Borough Council Holdings Ltd (£10.1 million) (who in turn pass the equity to NDH), and 60% loan direct to NDH (£15.3 million) at an interest rate of 5%. The loan is a repayment loan in line with the NDH business plan. There is no further investment planned within this capital and investment strategy.

1.23 This report also includes the Council's Minimum Revenue Provision (MRP) policy and the Prudential Indicators, which are detailed in section 5 of the main report.

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

Flexible use of capital receipts policy

1.25 The updated flexible use of capital receipts policy can be found in Appendix 8. The Government have extended this flexibility for 2024/25. This policy, if approved at Council, allows us to use any capital receipts received in year to be used to fund any service transformation costs incurred in the same year. Officers are recommending this policy be approved to allow us the flexibility to fund transformation costs if appropriate.

1.26 This report will also be considered by the Executive at its meeting on 25 January, before referral to the Budget Meeting of the Council on 7 February 2024.

2. Recommendation

2.1 That the Executive approve:

(1) The new bids set out in Appendix 2 for inclusion in the capital programme as indicated, subject to Council approval.

(2) Removing the Bright Hill scheme on the HRA approved and provisional programmes as previously reported to Councillors; and

That the Executive recommend (to Full Council meeting on 7 February 2024)

(1) That the General Fund and HRA capital estimates, as shown in appendices 3 to 12, as amended to include such bids as may be approved by the Executive at its meeting on 25 January 2024, be approved.

(2) That the Minimum Revenue Provision policy, referred to in section 9 of this report, be approved.

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

(4) That the updated flexible use of capital receipts policy, as set out in Appendix 8, be approved.

3. Reasons for Recommendation:

3.1. To enable Council, at its budget meeting on 7 February 2024, to approve the capital and investment strategy for 2024/25 to 2028/29, and the funding required for the new capital schemes proposed.

4. Exemption from publication

4.1 No part of this report is exempt from publication.

5. Purpose of Report

5.1. The Capital and Investment Strategy gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how risk is managed and the implications for future financial sustainability and is, therefore, the foundation of long-term capital planning.

5.2. The Council must have an approved investment strategy, comprising both treasury and non-treasury investments (including service and commercial investments). The implications associated with that are detailed in this capital and investment strategy.

5.3. The Local Government Finance Act 2003 requires local authorities to have regard to the CIPFA Treasury Management Code of Practice ("TM Code"), and specifically the CIPFA Prudential Code when determining how much it can afford to borrow, and to regulate treasury activities. The requirement to report in accordance with the TM code, and the prevailing DLUHC Investment Guidance is incorporated within this report and appendices.

5.4. Decisions made each year on capital expenditure and treasury management activity will have financial consequences for the Council for many years to come. They are, therefore, subject to both a national regulatory framework and to local policy framework, which is discussed through the report and the appendices.

5.5. As debt is only a temporary source of borrowing, General Fund (GF), the Council must put aside revenue resources where it finances capital expenditure by debt (internal or external), to repay that debt in later years. This cost is charged to the revenue account annually, and forms part of the Council Tax cost to taxpayers and is known as Minimum Revenue Provision (MRP). MRP is essentially the equivalent of repaying the principal loan amount within a mortgage (as opposed to the interest). The annual MRP statement and policy is included in section 5 of this report.

5.6. The Council also follows the CIPFA recommendation of adhering to the UK Money Markets Code to its members as good practice. The UK Money

Markets Code (April 2021 revision) is a voluntary code of practice which CIPFA recommends authorities follow. It is endorsed by the Bank of England's Money Markets Committee and has been developed to provide a common set of principles to promote the integrity and effective functioning of the UK money markets.

6. Strategic Priorities

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

6.2. Treasury Management is a key function in enabling the Council to achieve financial excellence and value for money. This report, and the strategies within it, help the Council achieve the best use of its resources and it links with the Council's strategic framework and delivery of the Corporate Plan.

7. Background

7.1. The Local Government Act 2003 requires local authorities to have regard to the CIPFA Treasury Management Code of Practice ("TM Code"), and specifically the CIPFA Prudential Code when determining how much it can afford to borrow.

7.2. The objectives of the Prudential Code are to ensure within a clear reporting framework, that:

- capital expenditure and investment plans are affordable and proportionate,
- all external borrowing and other long-term liabilities are within prudent and sustainable levels,
- the risks associated with investments for commercial purposes are proportionate to the financial capacity and
- treasury management decisions are taken in accordance with good professional practice.

7.3. The Council's capital expenditure plans are a key driver of treasury management activity. The outputs of the capital expenditure plan are reflected in prudential indicators, which are designed to assist Councillors when making decisions.

7.4. To demonstrate the Council has fulfilled these objectives, this report, and Appendix 1, details the Prudential Indicators that must be set and monitored each year.

7.5. We must put aside resources where the Council finances capital expenditure by borrowing (internal or external) to repay that debt in later years for the GF. This is charged to the revenue account annually and called MRP. There is not an earmarked reserve for MRP, it is represented in the balance sheet as increased cash as it forms part of the Council Tax Requirement.

7.6. The underlying need to borrow for capital purposes is measured by the Capital Financial Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

7.7. The Council invests its money for three broad purposes:

- because it has surplus cash as a result of day-to-day activities, for example when income is received in advance of expenditure (treasury management investments)
- to support local public services by lending to or buying shares in other organisations (service investments)
- to earn investment income (commercial investments where this is the main purpose). Note, this is only historical purchases, Local Authorities are strongly advised against making these purchases and there are consequences of them doing so.

7.8. Under the TM Code and the prevailing DLUHC Guidance, we are required to provide details of each of these purposes in the investment strategy, which is detailed throughout the report and in Appendix 1.

7.9. The statutory guidance defines investments as "*all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios*". We interpret this to exclude:

(a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word, and

(b) property held partially to generate a profit but primarily for the provision of local public services.

This aligns the Council's definition of an investment with that in the 2021 edition of the Prudential Code, a more recent piece of statutory guidance.

8. Capital expenditure and Financing

8.1. Capital expenditure is where the Council spends money on assets, e.g., property or vehicles, that will be used for more than one year. In Local Government, this includes expenditure on assets owned by other bodies, and loans or grants to other bodies enabling them to buy assets.

8.2. We show the HRA capital programme separately as the HRA is a separate ring-fenced account ensuring Council housing does not subsidise, or is not subsidised by, other local services.

8.3. All schemes in the capital programme have been assessed against the Council's strategic priorities and Corporate Plan, ensuring expenditure meets the key objectives of the Council.

8.4. All capital expenditure must be financed, either from external sources (grants and contributions), own resources (revenue, reserves, capital receipts) or debt (borrowing or leasing).

8.5. Initially we will finance capital expenditure from external or our own resources. If we do not have enough to finance all the planned expenditure, there will be an increase in the underlying need to borrow (borrowing requirement - the CFR). If we take out physical loans to meet that borrowing requirement (replacing cash we have spent), then external borrowing is in place. If there are no physical loans, then the Council has internal borrowing. This means that we are using cash relating to items in the balance sheet in the interim for capital funding purposes.

8.6. For planning purposes, we have assumed we will borrow internally for all schemes, but in doing so we are projecting a need to borrow externally (borrowing requirement). Depending on how much we spend and how much capital income we may receive will determine how the overall capital programme is financed.

8.7. Officers calculate the interest budgets (both investment and borrowing) according to the planned capital expenditure, which also feeds into the MRP calculations (for the GF only), and the liability benchmark.

8.8. As part of the Council's approved Financial Recovery Plan, there is a target to sell £50 million of assets to generate capital receipts to help fund the capital programme and reduce ongoing MRP and interest costs. These asset sales are not factored into the underlying need to borrow for capital purposes due to the unknown timescale, although it is factored into future cash flow projections for making assumptions around borrowing levels and subsequent interest costs.

Current capital programme

8.9. A copy of the current capital programmes is attached at Appendix 4, together with a schedule of the latest resource availability for, and financing of the programme.

8.10. All projections are based on current estimates for schemes and level of resource availability. If costs increase, and/or additional capital resources are received, the methods of financing and the level of borrowing required will vary accordingly.

8.11. At the Council meeting on 5 December 2023, officers presented the MTFP and Financial recovery plan November update report. Within this report it was recommended that 9 schemes be removed from the programme at a cost of £96 million. These schemes have been removed and the figures throughout this report reflect the smaller capital programme.

8.12. The Council is currently projecting expenditure of £196 million for HRA and £353 million for GF, for the period of the report. The underlying need to borrow for the period is £202 million.

New capital schemes

8.13. Officers have put forward 15 bids, with gross expenditure totalling £9.8 million up to 2028/29. Officers also recommend continuing to include £2 million per annum as the capital contingency fund to allow for unknown capital expenditure. This will increase the current underlying need to borrow to £211.8 million up to 2028/29.

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

Bid no.	Project title	GROSS ESTIMATES 2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	TOTAL COST £000
	Capital Vision (not included in net total as figures too uncertain)						
1	Sutherland Memorial Park - refurb pavilion	200	200	0	0	0	**400**
	General fund: Provisional						
1	Grounds Maintenance machinery	22	10	10	0	0	**42**
2	Wildfield Muga	0	0	0	0	30	**30**
3	Playground refurbs	20	80	300	200	0	**600**
4	ICT Hardware	583	437	63	65	338	**1,486**
5	Bedford Rd MSCP and office - brickwork/concrete frame	150	0	0	0	0	**150**
6	Broadwater cottage roof replacement	15	180	0	0	0	**195**
7	Leapale Rd MSCP - cladding	150	0	0	0	0	**150**
8	Slyfield Enterprise - redevelop	0	50	50	4,000	0	**4,100**
9	Slyfield Foundation - redevelop	0	25	25	2,000	0	**2,050**
10	Stoke Pk Gardener's cottage re roof	100	0	0	0	0	**100**
11	The Billings Roof	0	200	200	200	0	**600**
12	Sydenham Rd CP retaining wall	50	0	0	0	0	**50**
13	Investigation & works to underground shelter	20	0	0	0	0	**20**
14	Friary bus station	50	0	500	0	0	**550**
15	Stoke Cemetery drainage	80	0	0	0	0	**80**
	Total	**1,240**	**982**	**1,148**	**6,465**	**368**	**10,203**
	Gross total (excl vision)	**1,240**	**982**	**1,148**	**6,465**	**368**	**10,203**
	Funded by reserves or contributions	(350)	0	0	0	0	**(350)**
	Cost to the Council	**890**	**982**	**1,148**	**6,465**	**368**	**9,853**
	Already in programme	0	0	0	0	0	**0**
	Net addition to the programme	**890**	**982**	**1,148**	**6,465**	**368**	**9,853**

HRA

8.15. The HRA capital programme is split between expenditure on existing stock and either development of or purchase of dwellings to add to the stock. A lot of work has been done on stock condition surveys and the results are being analysed with a view to having a robust stock condition assessment which provides 100% stock data over a rolling 5-year programme and allows for effective assessment against Regulatory and legislative standards. This will allow compliance with the new building safety legislation and standards.

8.16. Improved building safety standards across social housing has resulted in a national drive to improve standards and safety, Guildford has started responding to this and has spent a significant sum on its properties. The budget for 2024/25 and ongoing will see budgets return to more modest levels seen in the past. The capital programme will be funded from HRA capital receipts and reserves. There is also £137 million between 2023/24 and 2028/29 million included for development projects to build or acquire new housing (including WUV). The proposed budget can be seen in Appendix 3.

Prudential Indicators

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

8.18. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years in the future. The Chief Finance Officer (CFO) therefore needs to be satisfied that the proposed capital programme is prudent, affordable, and sustainable. This will be by looking at the overall gearing ratios, local indicators, and affordability ratios / indicators.

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

Estimates of capital expenditure

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

CAPITAL EXPENDITURE SUMMARY	2023/24 Approved £000	2023/24 Outturn £000	2023/24 Variance £000	2024/25 Est £000	2025/26 Est £000	2026/27 Est £000	2027/28 Est £000	2028/29 Est £000
General Fund Capital Expenditure								
- Main Programme	147,239	77,963	(69,276)	83,074	2,496	2,000	2,000	0
- Provisional schemes	48,428	2,078	(46,350)	91,892	59,690	14,841	8,365	5,380
- Schemes funded by reserves	1,031	1,504	473	1,120	0	0	0	0
- S106 Projects	122	303	181	0	0	0	0	0
- New Bids (net cost)	0	0	0	890	982	1,148	6,465	368
Total Expenditure	**196,820**	**81,848**	**(114,972)**	**176,976**	**63,168**	**17,989**	**16,830**	**5,748**
Financed by:								
Capital Receipts	0	(2,681)	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
Capital Grants/Contributions	(46,336)	(49,079)	(2,743)	(20,622)	(1,020)	(750)	0	0
Capital Reserves/Revenue	(1,131)	(1,787)	(656)	(1,192)	0	0	0	0
Borrowing	(149,353)	(28,300)	121,053	(153,162)	(23,039)	(1,148)	(6,465)	(368)
Financing - Totals	**(196,820)**	**(81,848)**	**114,972**	**(176,976)**	**(63,168)**	**(17,989)**	**(16,830)**	**(5,748)**
Housing Revenue Account Capital Expenditure								
- Main Programme	47,866	34,537	(13,329)	16,789	6,019	2,377	5,040	0
- Provisional schemes	15,928	0	(15,928)	18,124	26,047	57,282	11,582	18,239
- New bids	0	0	0	0	0	0	0	0
Total Expenditure	**63,794**	**34,537**	**(29,257)**	**34,913**	**32,066**	**59,659**	**16,623**	**18,239**
Financed by:								
- Capital Receipts	(8,494)	(2,740)	5,754	(11,595)	(10,836)	(21,633)	0	(5,066)
- Capital Reserves/Revenue	(28,286)	(15,461)	12,825	(23,318)	(21,230)	(38,025)	(16,623)	(13,173)
- Borrowing	0	0	0	0	0	0	0	0
Financing - Totals	**(36,780)**	**(18,201)**	**18,579**	**(34,913)**	**(32,066)**	**(59,659)**	**(16,623)**	**(18,239)**

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

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

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

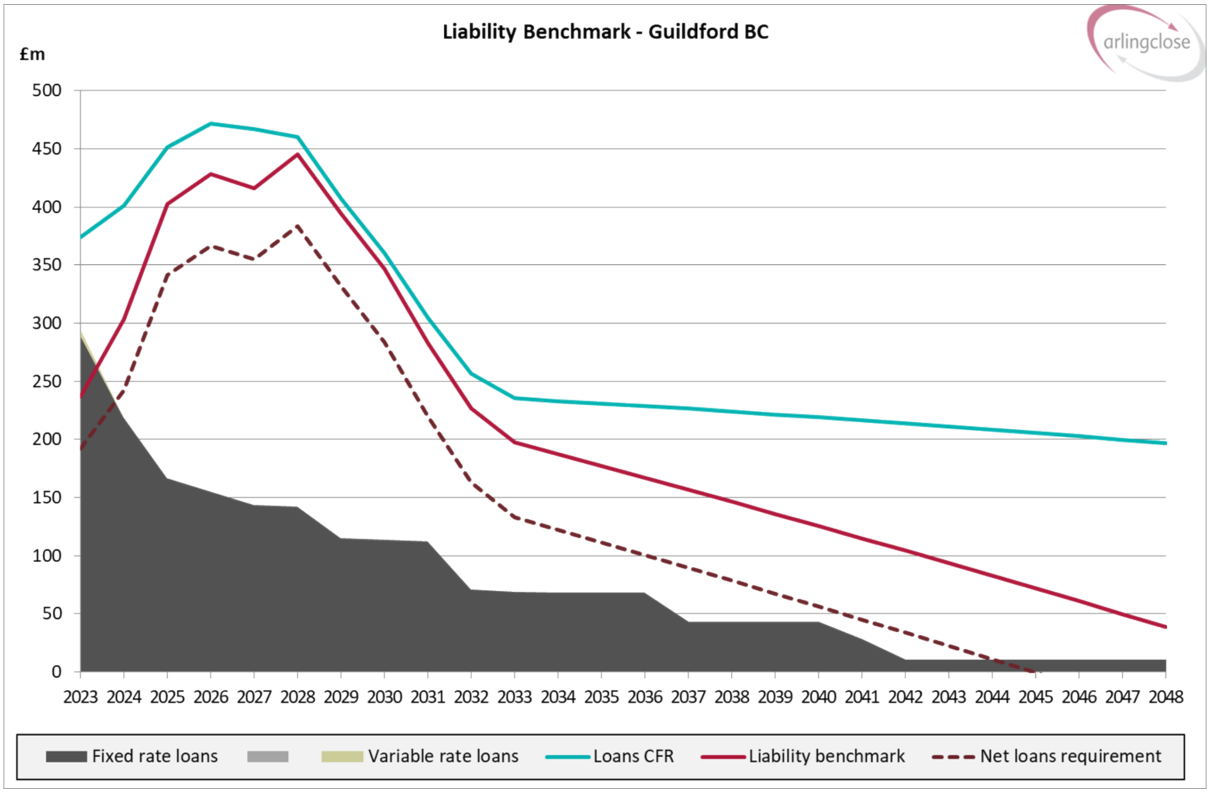
8.23. The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and following two years. Because we use our CFR projections as part of our liability benchmark, we project over a longer period, and present in the report at least the five-year time frame in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

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

	Actual	Forecasts	£m				
Position at 31 March	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Loans CFR	374.2	400.9	451.5	471.8	467.1	460.1	407.2
External borrowing	-295.1	-229.6	-177.0	-165.5	-153.9	-152.4	-125.9
Internal (over) borrowing	79.1	171.3	274.5	306.3	313.2	307.7	281.4
Balance sheet resources	-182.2	-162.0	-138.3	-124.0	-103.9	-100.1	-109.0
Investments (new borrowing)	103.1	-9.4	-136.2	-182.3	-209.3	-207.6	-172.4
Treasury investments	103.1	98.2	51.0	35.3	20.0	20.0	20.2
New borrowing	0.0	107.5	187.2	217.6	229.3	227.6	192.6
Net loans requirement	192.0	239.0	313.3	347.8	363.2	360.0	298.3
Liquidity allowance	20.0	98.2	51.0	35.3	20.0	20.0	20.2
Liability benchmark	212.0	337.1	364.2	383.1	383.2	380.0	318.5

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

8.26. This is then shown in graphical format identifying the liability benchmark. The liability benchmark is the lowest risk level of borrowing – borrowing only when your reserves reach your set minimum level (we have set at £20 million). We have adopted this policy for a number of years and propose to continue doing so.



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

Operational boundary and authorised limit for external debt

8.28. The Council is legally obliged to set an annual affordable borrowing limit (termed “authorised limit for external debt”). This is the maximum the Council can borrow. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach that limit. Separate limits are set for GF and HRA.

8.29. The operational boundary is the most likely level of borrowing in year, directly linked to capital expenditure plans and the CFR and cash-flow requirements.

8.30. We are required to set a limit for other long-term liabilities, for example finance leases. We have included £26 million for items that could be classed as finance leases, particularly with the introduction of IFRS16 in April 2024.

Operational Boundary of External Debt	2023/24 Approved £000	2023/24 Revised £000	2024/25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Borrowing - General Fund	338,316	260,916	257,316	277,546	272,896	265,926	213,046
Borrowing - HRA	199,204	199,204	199,204	199,204	199,204	199,204	199,204
Other Long-Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	**563,520**	**486,120**	**482,520**	**502,750**	**498,100**	**491,130**	**438,250**

8.31. The authorised limit gives headroom for significant cash-flow movements. Officers monitor the Council’s debt level against the authorised limit daily against all items on the balance sheet (long and short-term borrowing, overdrawn bank balances and long-term liabilities

Authorised Limit for External Debt	2023/24 Approved £000	2023/24 Revised £000	2024/25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Borrowing - General Fund	309,556	320,916	302,316	322,546	317,896	310,926	258,046
Borrowing - HRA	199,204	199,204	199,204	199,204	199,204	199,204	199,204
Other Long-Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	**534,760**	**546,120**	**527,520**	**547,750**	**543,100**	**536,130**	**483,250**

Proportion of financing costs to net revenue stream

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

8.33. Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged. The net annual charge is known as financing costs and is compared to the net revenue stream (i.e., the amount funded from Council Tax, Business Rates, and general government grants for the GF and for the HRA its income)

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

	2023/24 Approved	2023/24 Outturn	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund	-4.67%	4.79%	-5.27%	-22.50%	-18.38%	-20.27%	-25.83%
HRA	32.49%	38.79%	32.72%	28.20%	23.64%	20.13%	19.71%

8.35. The GF lower outturn for 2023/24 reflects less debt interest to the GF as a result in the change in policy on capitalisation of interest as part of the financial recovery plan. The increasing percentage is as a result of increasing debt costs due to the capital programme and reducing interest income as internal resources are spent on the capital programme.

8.36. The HRA has stable debt costs, but reducing interest earned on its balances as per the item 8 debit calculation over the period because of reducing reserves as a result of the capital programme.

9. Minimum Revenue Provision (MRP)

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

9.2. This Guidance requires local authorities to approve an annual MRP statement each year and recommends options but does not preclude locally determined prudent methods.

9.3. Where the Council finances capital expenditure by borrowing, the CFR will increase and we must put aside resources, from revenue, to repay that debt in later years, known as MRP. MRP only applies to GF.

9.4. The aim of the guidance is to ensure that capital expenditure is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

9.5. It recommends a maximum useful life of 50 years for all assets, unless the Council has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50-years.

9.6. We apply a life of 50 years for the purchase of land and schemes which are on land (for example transport schemes).

9.7. MRP becomes chargeable in the financial year after the expenditure is incurred or when the asset becomes operational – whichever is the latter.

9.8. Based on the Council's estimate of its CFR on 31 March 2023, and unfinanced capital expenditure in 2023/24 of £202 million, the budget for MRP for 2024/25 and future years is:

2024/25	£1.68 million
2025/26	£1.81 million
2026/27	£1.86 million
2027/28	£1.87 million
2028/29	£2.1 million

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

MRP policy

9.10. The Council will use the asset life method as its main method of applying MRP but will use the annuity method for investment property.

9.11. Where appropriate, for example in relation to capital expenditure on regeneration schemes, we may use an annuity method starting in the year after the asset becomes operational.

9.12. Where we acquire assets ahead of a development scheme, we will charge MRP based on the income flow of the asset or as service benefit is obtained. Therefore, where construction, major refurbishment or redevelopment of an asset occurs, we will not charge MRP during the period of construction, refurbishment, or redevelopment. MRP will not be charged from the date a property is vacant (if the development starts within 12 months of the vacation date). MRP will be charged in the financial year after the asset has returned to operational use.

9.13. Where loans are made to other bodies for their capital expenditure, where the loans are repaid in at least annual instalments of principal, there will be no MRP, but we will apply the capital receipts arising from the loan repayment to reduce the CFR. Where there is no repayment, MRP will be charged in accordance with the MRP policy for assets funded by the loan, including delaying MRP until the year after the assets became operational. Sufficient MRP will be charged to ensure that the outstanding CFR on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the Government in its recent MRP consultation and in the Council's, view is consistent with the current regulations.

9.14. For investments classed as capital expenditure, we will apply a life related to the underlying asset in which the share capital has been invested.

9.15. We will apply a prudent approach to determining which schemes are financed from capital resources and which ones will be subject to MRP. For example, we feel it is prudent to apply capital resources to those schemes that have a shorter estimated life. We will determine this annually as part of closing the accounts.

9.16. Generally, the asset life for MRP will be matched to the life used for depreciation purposes. Estimated life periods will be determined under delegated powers to the CFO.

9.17. Where former operating leases have been brought onto our balance sheet on 1 April 2024, due to the adoption of IFRS16 leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and / or discounts, then the annual MRP charge will be adjusted so the total charge to revenue remains unaffected by new standard.

9.18. No MRP will be charged in respect of assets held within the HRA but depreciation on those assets will be charged instead in line with regulations.

10. Treasury Management

10.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, a shortage of cash will be met by borrowing, to avoid excessive credit balances of overdrafts in the bank current account.

10.2. The policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns.

10.3. The Council is typically cash rich in the short-term as revenue income is received before it is spent (and invested more securely to minimise the risk of loss), but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing. Money that will be held for the longer term is invested in a select portfolio to balance the risk of loss against the risk of receiving returns below inflation.

10.4. The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

10.5. Decisions on treasury management investment and borrowing decisions are made daily and therefore delegated to the CFO and staff, as per the Treasury Management Practices (TMPs), who must act in line with the treasury management strategy approved by Council in February each year. Treasury management activity is presented to the Corporate Governance and Standards Committee as part of the Council's financial monitoring report throughout the year and the Committee is also responsible for scrutinising treasury management decisions.

10.6. The Council currently has a total of £200 million long-term borrowing of which £167 million is related to the HRA at an average rate of 3.5% with a cost of £5.4 million in interest, and the remaining £33 million relates to WUV and the interest is being capitalised to the project at the pooled interest rate of all council borrowing. Short-term borrowing, falling on the GF, is expected to cost £1 million at an average rate of 5%.

10.7. The Council's average investment portfolio is £86 million at an average rate of 5%, generating £3 million of interest.

Borrowing strategy

10.8. The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

10.9. The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the PWLB.

10.10. Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The liability benchmark in paragraphs 8.23 to 8.26 show we are meeting the statutory guidance.

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

Investment strategy

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

10.13. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

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

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

10.16. The Council has identified the proportion of income from these types of investments against gross service expenditure. This income is part of the net service cost and therefore makes a positive contribution to the Council Tax Requirement.

	2023/24 Budget £000	2023/24 Revised £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Gross Service Expenditure	110,099	111,030	97,910	97,910	97,910
Investment property income	8,649	9,704	10,130	10,130	10,130
Treasury management income	3,490	4,879	3,089	1,867	1,237
Investment income %	11%	13%	14%	12%	12%

10.17. Investment property and treasury management income ("investment income") contribute approximately 12% to the gross cost of services across the Council.

11. Service and commercial investments

Property asset management

11.1. To ensure that capital assets continue to be of use in the long-term, the Council has an asset strategy and asset management framework. These include the following objectives:

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

Investment for service purposes

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

11.3. Opportunities on service investments are initiated by the relevant service leader and any decisions are made by the CFO. Most loans and shares are capital expenditure and purchases will therefore be approved as part of the capital programme and PPM Governance framework.

11.4. The main risk when making service loans is that the borrower will be unable to repay the principal lent and / or the interest due. One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. To limit this risk and ensure that total exposure to service loans remains proportionate to the size of the Council, we will undertake independent due diligence before entering into a loan or purchasing shares.

11.5. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures in the Statement of Accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

11.6. The Council invests in and has purchased shares in Guildford Borough Council Holdings Limited (40% equity then transferred into North Downs Housing). A small amount has been used to purchase shares in the Surrey and Sussex Credit Union (Boom) and the Broadband for Surrey Hills (B4SH). The projected future investment in the Council's companies is detailed in the capital programme. It is not expected to increase exposure to Boom or B4SH.

Commercial activities

11.7. The Council has acquired its investment properties over several years to facilitate the economic development of the borough and generate rental income that helps support the wider financial position of the Council.

11.8. Investment property is valued at £178 million as per the 2022/23 unaudited statement of accounts, with rent receipts of £9.1 million. Budgeted receipts for 2023/24 was £9.7 million.

11.9. Compared with other investment types, property is relatively difficult to sell and convert into cash at short notice and can take a considerable amount of time to sell in certain market conditions. Therefore, the size of the investment property portfolio is compared, monthly, against the value of the Council's treasury management investments, to ensure proportionality of investments across the Council.

11.10. With financial return being the main objective, the Council accepts higher risk on commercial investment than treasury investments. The principal risk exposures include fluctuating capital values, vacancies, tenant defaults and risking financing costs. All these factors can have an impact on the net financial return to the Council. The Council mitigates the risks through the choice of more secure property investments using the criteria described above in para 11.1, and keeping a balanced portfolio spread across different property types. Officers prepare detailed cash flow models for each prospective investment acquisition to appraise the cash flow risk and the Internal Rate of Return (IRR) of the investment, in line with the approved asset investment strategy.

11.11. In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase costs, including taxes and transaction costs. The Council values investment property annually.

11.12. If the fair value assessment of the portfolio in the accounts is at or above the purchase cost, the underlying asset provides security for the capital investment. Should the valuation be lower than purchase cost, the Council will report this in the capital and investment annual report, along with the consequences of the loss on security of investments and any revenue consequences arising.

11.13. Performance is also reviewed regularly throughout the year and an investment fund portfolio report submitted annually to the Property Review Group and as part of the Capital and Investment Strategy annual report.

11.14. In accordance with the Council's Constitution, the Joint Strategic Director of Place is authorised to acquire property up to £1 million, in consultation with the relevant lead councillor, where budget provision exists in the approved capital programmes. Purchases must be in consultation with the CFO in line with the criteria set in the asset investment strategy. Where there is no approved budget in the capital programme, committee approval will be sought in line with Financial Procedure Rules.

11.15. The asset investment strategy provides a robust viable framework for the acquisition of commercial properties located within the borough. This will direct investment in assets that local businesses occupy as well as those nationally or internationally that contribute to growth in the local economy. There will be continual evaluation of the property investment portfolio to meet the Council's priorities and ensure that it is fit for purpose.

11.16. We will also consider new opportunities as they arise. For example, the Council recognises that another major industrial site is coming to the end of its physical life where our tenants want to reinvest. The Council will support development plans by tenants to improve their sites and the estate, which again, may instigate capital investment by the Council alongside income generation.

Net income from commercial and service investments to net revenue stream

11.17. The table below shows net revenue stream compared to the net income from commercial investments:

	2023/24 Approved	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Net Revenue Stream	15,828	16,576	15,886	16,125	16,492
Net income	8,649	10,130	10,130	10,130	10,130

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

Other liabilities

11.19. Although not strictly counted as investments, since no money has changed hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

11.20. The Council is committed to making future payments to cover its share of the pension fund deficit, on the face of the Council's balance sheet, there is £116 million of other long-term liabilities which relates to the Pension Fund liability.

11.21. We have provisions to cover risks including Business Rates appeals. We have not allowed for any financial guarantees.

11.22. The Council is also at risk of having to pay for levies relating to our liability for asbestos but has not put aside money into a provision because it is not yet certain.

11.23. Decisions on incurring new discretional liabilities are taken by the relevant service leader and the CFO.

11.24. A new accounting standard, IFRS16 – accounting for leases, comes into effect from 1 April 2024. The key change is that accounting for leases (i.e., leasing in assets) will change, and there will no longer be a distinction between finance and operating leases. The Council is currently working through the implications, but it will mean an increase in the assets and liabilities on our balance sheet.

12. Knowledge and skills

12.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions, and ensure appropriate training and skill updating are available to the relevant staff to undertake the duties expected / required.

12.2 Where Council staff do not have the knowledge and skills required, use is made of external advisors and consultants that are specialist in their field. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

12.3 Under the MiFID[1] regulations, for the Council to “opt-up” to professional status, the Council is required to state the knowledge and skills of key staff involved in the treasury decision making – this is a mandatory criterion. Financial institutions decide whether the Council can opt-up, and there is comfort in that where the Council is accepted as a professional client; we have the required level of skills and knowledge expected by the financial institution of key treasury staff.

13. Consultations

13.1 The Lead Councillor for Resources and Assets supports the recommendations in this report.

14. Key Risks and mitigations

14.1 Officers submit bids with a proposed timeframe for the project to be completed. This is put into the capital programme and feeds into the liquidity benchmark (to determine where we may need to borrow – at a high level), cash flow forecasts (projecting investment income and possible borrowing costs feeding into the medium-term financial strategy) and the MRP projections (again feeding into the medium-term financial strategy).

14.2 The capital programme predicts the Council’s underlying need to borrow. This is the starting point to determine whether the Council needs to borrow externally, and for what period. If the profiling of the capital programme is significantly wrong, this means the Council will have budgeted less investment income, more external borrowing interest and more MRP than it needs to. All these are a cost to the revenue budget and therefore the council taxpayer.

[1] Markets in Financial Instruments Directive

14.3 Officers work together to minimise this impact and meet on a quarterly basis to review the capital programme and adjust the profiling. The medium-term financial strategy is updated continually with the latest interest and MRP projections taking account of the latest capital programme and profile to ensure the most realistic position is presented in the revenue budget.

14.4 Slippage in the capital programme could also mean costs are higher than originally budgeted because of price inflation and changing market conditions. To help mitigate this, the Council has a capital contingency fund budget of £2 million each year acting as an additional budget included in the borrowing calculations across the programme as a whole. Each scheme also has contingencies built into the individual budgets.

14.5 Many of the larger schemes in the programme have external funding attached to them. Generally, as part of this funding, when the bids for funding are made, a time frame for spend needs to be agreed. If schemes are delayed, there is a risk that the funding will either have to be repaid or the funding will no longer be available to us. This will increase the cost of borrowing to the Council.

14.6 If we do not deliver new housing schemes, we are at risk of having to repay housing capital receipts back to the Government. It is therefore important we have a planned programme of development schemes to be able to monitor future expenditure with reasonable certainty to help avoid the risk of having to return money plus interest.

14.7 The Council has some significant and costly capital schemes in its programme. Each of these schemes has a high level of scrutiny in its finances with continually updated finance cases as any change in these can be financially significant. The key risk being that if any of these schemes were approved based on a net income or break even, and they then become a cost to the Council, this will increase the borrowing burden on the GF.

Treasury management risks

14.8 The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out the various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

14.9 Overall responsibility for treasury management remains with the Council. Treasury management activity involves risk and cannot be eliminated. The effective identification and management of risks are integral to the Council's treasury management objectives.

14.10 Treasury management activity needs to be managed to maximise investment income and reduce debt interest whilst maintaining the Council's exposure to risk.

14.11 Inflation is also a key factor. Investments are made and earn a return. If inflation is high, and investment returns are low, the investment return is not keeping up with inflation and the Council is therefore losing money. Conversely if inflation falls fixed investments give higher returns, but both these scenarios are features of timing difference and will even out over time.

14.12 Risk indicators relating to treasury management are in Appendix 1.

Risks relating to Commercial investments

14.13 There are some identifiable risks of investing in property.

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

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

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

15. Financial Implications

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

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

15.3 The budget for treasury management investment income is based on an average investment portfolio for the previous year, at a weighted average rate. The budget for debt interest is based on current outstanding interest calculations. If actual levels of investments and borrowing, and actual interest rates differ from that forecast, performance against budget will be correspondingly different.

15.4 Income from investment property is estimated to be £8.6 million in 2024/25.

15.5 The MRP budget is £1.7 million in 2024/25.

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

Flexible use of capital receipts

15.7 The Government has extended the ability for councils to use capital receipts to fund revenue costs of transformation programmes, and officers are recommending that the policy is approved to enable the flexibility to fund the costs relating to the Guildford and Waverley Collaboration and any other transformations, restructures or efficiency changes that may be incurred during 2024/25. The policy can be found at Appendix 8.

Risk indicators

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

Total risk exposure

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

Total Investment Exposure	2023/24 Projection £000	2024/25 Forecast £000	2025/26 Forecast £000
Treasury management investments	118,078	85,917	65,441
Service investments: Loans	15,180	15,180	15,180
Service investments: Shares	10,120	10,120	10,120
Investment property	174,256	174,256	174,256
Total Investments	**317,634**	**285,473**	**264,997**

15.10 Government guidance is that we should show how these investments are funded. Since the Council does not normally associate particular assets with particular liabilities this is difficult to comply with. However, investments in loans and shares (North Downs Housing and Guildford Borough Council Holdings) could be described as being funded by borrowing – as they are part of the Capital programme and therefore form part of the underlying need to borrow for a capital purpose. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Rate of return achieved

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

Investments net rate of return	2023/24 Projection £000	2024/25 Forecast £000	2025/26 Forecast £000
Treasury management investments	4.60%	3.92%	4.54%
Service investments: Loans	5.50%	5.50%	5.50%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.00%	5.50%	5.50%

16. Legal Implications

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

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

activities. The emphasis of the Guidance is on the security and liquidity of investments.

- Localism Act 2011

17. Human Resource Implications

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

18. Equality and Diversity Implications

18.1 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.

19. Climate Change/Sustainability Implications

19.1 There are no specific implications as a result of this report, however, capital bids have been made for some schemes relating to reducing carbon.

20. Joint Executive Advisory Board Comments

At its meeting held on 11 January 2024, the Joint Executive Advisory Board (JEAB) considered a report concerning the Council's Capital and Investment Strategy 2024-25 to 2028-29. Bids in respect of the 15 proposed capital schemes outlined within the appendices to the report were a particular focus for the JEAB.

The Lead Specialist for Finance introduced the report and sought comments from the JEAB in respect of the capital bids. The following points arose from questions, comments and discussion relating to the bids for forwarding to the Executive:

Machinery for Grounds Maintenance at the Crematorium

This bid sought to renew vital grounds maintenance equipment as the machinery in question was nearing the end of its life and required replacing. It was not considered to be an option to not maintain the crematorium gardens of remembrance, where ashes were laid to rest. A total capital sum of £42,000 was sought over the period from 2024/25 to 2026/27. The JEAB indicated its support for the bid.

Wildfield Ballcourt

A capital sum of £30,000 in 2028/29 was bid for Wildfield Ballcourt in Wood Street Village. The Council had entered into a lease to install and maintain a ballcourt on land owned by Surrey County Council with the terms that the Council would remove the ballcourt at the end of the lease. The lease had expired and to avoid removing the ballcourt immediately, the Council was entering into a renewal of five years. Although the surface of the ballcourt was starting to show areas of wear, no maintenance costs, beyond the current routine safety checks and litter removal, were anticipated over the next five years. However, the need to incur repair costs after that time was expected. As visitor use of the ballcourt appeared relatively light, it was questioned whether there was sufficient community need to justify the intended work. The JEAB was advised that there would be opportunities to review the matter before the expenditure in 2028/29. This project would be subject to two business cases, the first to be added to the Provisional Capital Programme, and the second to enable the scheme to proceed. It was felt that consultation associated with the project should demonstrate a community need, for the facility to continue.

Playground Refurbishments 2024 to 2029

This mandate sought approval to continue the capital programme for playground refurbishments from 2025 onwards to be used to support and supplement available S106 funds, where appropriate. The programme required a total capital injection of £800,000 split over the next four years. The JEAB supported the bid.

ICT

The ICT Team had submitted a bid in respect of replacement / purchases of IT user hardware (laptops, monitors etc.) and infrastructure hardware purchases. The annual Microsoft Enterprise Agreement (licensing and cloud usage charges) renewal would be funded from revenue for the near future. The JEAB accepted the bid.

Bedford Road Multi-Storey Car Park

There were structural issues associated with the brick clad wall at a high level on one corner of the car park. Sections of the brick cladding were loose and required immediate repair. Investigations indicated that sections of the brick cladding and surrounding reinforced concrete frame were failing due to water incursion from adjacent raised flower beds forming part of the flat development situated above the car park. Works were required to remove or tank these flower beds and ensure a safe access, followed by brick cladding and concrete repairs to the concrete frame. The estimated capital cost of the works was £150,000 in 2024/25. The JEAB supported the bid.

Crematorium Broadwater Cottage

Broadwater Cottage was a Grade II listed property located adjacent to the Council owned Crematorium on New Pond Road, and utilised for staff accommodation for the Council's Bereavement Services Lead. Although the cottage underwent substantial refurbishment works over recent years, including measures to mitigate structural issues with roof, the Council had subsequently been advised by independent structural engineers that larger scale structural repairs were required. There were no listed building or other restrictions to prevent the works which were estimated to cost £195,000 over two years. The JEAB endorsed the works.

Leapale Road Multi-Storey Car Park

There were structural issues associated with the brick clad wall at a high level on one corner of the car park. Sections of the brick cladding were loose and required immediate repair. Investigations indicated that sections of the brick cladding and surrounding reinforced concrete frame were structurally unsound. Works at a cost of £150,000 in 2024/25 were required to provide scaffold access and undertake repairs to the brick cladding. The JEAB was advised that funding remained in the Car Park Maintenance Reserves and therefore this bid did not represent a cost to the General Fund. The JEAB accepted the bid.

Slyfield Enterprise Estate

Whilst the Enterprise Estate remained popular with tenants and was fully occupied and income generating, the property had been built in the 1980s and was now nearing the end of its useful life and failing to meet the needs of modern light industrial occupiers and the minimum energy efficiency standards (MEES) for commercial property. Accordingly, Assets and Property officers were working towards comprehensive refurbishment or redevelopment to meet modern requirements and to enhance future rental income. It was envisaged that this process would commence in 2025/26 with preliminary work and planning and then progress to refurbishment / redevelopment in 2027/28, requiring total capital expenditure of £5,000,000 over the period. The JEAB supported the bid.

Slyfield Foundation Units

Slyfield Foundation Units comprised a multi-let estate consisting of 12 light industrial letting units. As with Slyfield Enterprise Estate, this property had been built in the 1980s and was experiencing all the same popularity and age related issues as the Enterprise Estate. Therefore, the Assets and Property team were also working towards comprehensive refurbishment or redevelopment to meet modern requirements and to enhance future rental income. It was anticipated that this process would commence in 2025/26 with preliminary work and planning and then progress to refurbishment / redevelopment in 2027/28, requiring total capital expenditure of £2,050,000 over the period. The JEAB endorsed the works.

Stoke Park Gardeners Cottage

The Gardeners Cottage was a detached dwelling house located in Stoke Park, Guildford. The Cottage was utilised for staff accommodation and was currently occupied. Whilst the Cottage had undergone a series of planned and reactive roofing repairs in recent years, the roof had come to the end of its useful life expectancy and replacement was required at a capital cost of £100,000 in 2024/25. The JEAB accepted the bid.

Billings Roof Replacement

The Billings was a detached brick built former printing works constructed in 1856 and subsequently converted into office units and one warehouse unit. The property formed part of the Council’s investment portfolio and was currently let on various leases. The slate roofs at the Billings had come to the end of their useful life expectancy and therefore required replacement. The roof to Unit 4 had been replaced last year and this bid covered the replacement of roofs to

Units 1, 2 and 3 at a capital cost of £400,000 over the 2025/26 and 2026/27 financial years. The JEAB endorsed the bid.

Sydenham Road Car Park

Adjacent to the car park was 12 Trinity Cottage, the owner of which had raised two issues with the Council in relation to the repair and replacement of a party wall and damage to the gable wall of number 12 due to the adjacent Council owned car park. The project was required since initial investigation had indicated that the failing brick wall was likely to be a party wall issue and so jointly owned by the Council and the owner of 12 Trinity Cottage. As such, the Council was likely to be responsible for an apportionment of the costs for rebuilding / repairing the wall. Moreover, the raising of levels to form the car park had potentially led to structural and damp issues to the gable wall of 12 Trinity Cottage. The owner of the Cottage had appointed a local firm of surveyors and engineers and had contacted the Council regarding the above matters. The Council's capital bid towards the works was £50,000 in 2024/25. The JEAB supported the bid.

Investigation and Works to Underground Shelter

An area of open space in Guildford, believed to be an underground shelter dug during World War 2, required investigation. The project sought to establish the full extent of the structure and understand its condition with the possibility of filling the structure to avoid the risk of collapse and potential danger to the public, and return the area to good order. The capital bid of £20,000 would provide funds to pay for the works under the Council's Civil Engineering Contract at the direction of the Council's Engineers. The JEAB approved the bid.

Guildford Bus Station

The Council was responsible for the concrete surface deck and drainage at the Bus Station, which was located adjacent to and partly above the Friary Centre. The deck surfacing and drainage had failed and were allowing water ingress through the concrete deck into the basement car park and electrical substation below. During heavy downpours the basement car park and substation flooded, causing a health and safety risk in addition to making the basement unusable. Whilst some previous repairs had assisted to mitigate the flooding, the leaks remained an issue and immediate work was required to diagnose the cause(s) of the water ingress and resolve the matter. Also, a complete resurfacing of the bus station was needed for long term protection of the deck and column structure underneath. These further works were seen as a matter of urgency and the Council was being pursued by the owner of the freehold beneath the deck to progress them as such.

The North St Development project included an upgrade and refurbishment of the Bus Station in around 2-3 years' time. When these works took place, the Council would have an opportunity to undertake long-term infrastructure repair works to the surface of the bus station. The works proposed now appeared to link in with the proposed redevelopment enabling work to be carried out in tandem.

The capital bid sought £50,000 in 2024/25 and 500,000 in 2026/27. This included £12,000 to be made immediately available to facilitate the appointment of an external consultant(s) to undertake a full survey and provide a report to diagnose the cause(s) of the water ingress and solutions. The appointed consultant would also be asked to provide cost estimates for the proposed works to facilitate a total resurfacing project.

A councillor welcomed a correlation in the report between the proposed Bus Station redevelopment and the interim works the subject of this capital bid. However, it was felt that the report did contain information in respect of the related dependencies and project work in tandem. The Lead Specialist for Finance agreed to review the wording in the bid document and improve its clarity if necessary.

Stoke Cemetery

A section of the Cemetery was waterlogged affecting graves and the main pedestrian footpath. The Council's engineers had developed a draft proposal to divert water to a pre-existing drain, which required the approval of the Environmental Agency. The engineers required a topographic survey to inform their proposal for the application to the EA and the application also needed to be accompanied by a tiered site assessment. The project aimed to solve the health and safety issues associated with this leak with capital expenditure of £80,000 in 2024/25. A Councillor queried the accuracy of the name quoted in section 7 of the bid and officers undertook to check this with the bid author and make a correction if necessary.

Generally, councillors acknowledged that the proposed works the subject of the capital bids seemed absolutely necessary. As much of the proposed work was linked to water incursion and roof repairs, it was felt that this situation would be exacerbated in the future due to Climate Change.

Having been invited to comment on six recommendations which would be considered by the Executive at its meeting on 25 January 2024, the JEAB indicated its support for all six recommendations and agreed that its above comments be forwarded to the Executive.

21. Corporate Governance & Standards Committee Comments

21.1 To be provided in the Executive’s Supplementary Information Sheet following the meeting of the Committee to be held on 18 January 2024.

22. Summary of Options

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

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

Alternative	Impact on Income / Expenditure	Impact on risk management
Invest in a narrower range of counterparties and / or for shorter times	Interest income will be lower	Lower chance of losses, from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and / or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Alternative	Impact on Income / Expenditure	Impact on risk management
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to higher impact in the event of a default; however, long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium-term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is unlikely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

23. Conclusion

23.1 The information included in this report shows the position of the current approved capital programme. Bids for future years that are viewed as essential projects have been submitted by officers.

23.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £211.8 million by 31 March 2028.

23.3 The information in this report, and the appendices, show the Council has adopted the principles of best practice and complied with the relevant statute, guidance, and accounting standards.

24. Background Papers

None

25. Appendices

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

 Appendix 1

Capital, Treasury and Investment Strategy - detail

1. Introduction

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

1.2 Council's need to invest in their assets, as they are the most valuable resource (termed as non-financial assets throughout the report), and is, therefore, linked to asset planning. Council assets have been acquired using public money, so we have an obligation to protect the value of those assets. Failure to do this means assets will gradually deteriorate and in the long-term this puts the Council's ability to fulfil its basic responsibilities at risk.

1.3 Capital expenditure is defined as:

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

1.4 An integral part of a capital strategy is how the programme is financed. This is inexplicitly linked to treasury management and informs the resources available for treasury investments.

1.5 Treasury management is an important part of the overall management of the Council's finances. Council's may borrow or invest for any purpose related to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs.

1.6 The CIPFA definition of treasury management is:

"the management of the organisations borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks"

1.7 The Local Government Act 2003 requires Local Authorities to have regard to the Prudential Code. The Prudential Code, last revised in 2021, requires Local Authorities to determine a capital strategy. The strategy is to have regard to:

Capital expenditure

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

Debt and borrowing and treasury management

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

Commercial activity

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

Other long-term liabilities

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

 Appendix 1

Knowledge and skills

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

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

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

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

2. External Context

Economic Background

2.1 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, which has been maintained since, but have not said that this is the final interest base rate. The actions are broadly in line with the other world banks.

2.2 The impact of higher interest rates and inflation, weak economic outlook, uncertain pollical climate (due to an upcoming general election), conflicts in Ukraine and the Middle East, general slowing in world economies will all influence this strategy.

2.3 Growth is then expected to continue to be minimal throughout 2024 and the first half of 2025.

2.4 CPI inflation is expected to continue to reduce as last year's key inflation drivers fall away, achieving target in two years' time.

2.5 The Monetary Policy Forecast (MPR) shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate project to be rising to around 5% in late 2025.

Appendix 1

Credit outlook

2.6 The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

2.7 There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

Interest rate forecast

2.8 Arlingclose forecasts that Bank Rate has peaked (although the OBR – Office for Budget Responsibility used a base rate of 5.4% in its predictions for the Autumn Statement) and as the BoE attempts to subdue inflation which is significantly above its 2% target will 'remain higher for longer'.

2.9 While interest rate expectations are for reductions to begin in late 2024 to stimulate the UK economy reducing to a low of around 3% by early to mid-2026.

2.10 Yields are expected to fall from current levels reflecting the lower medium-term path for bank rate. It is anticipated that yields will remain relatively higher than in the past due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

3. Balance sheet and treasury position

Balance Sheet

3.1 The Council has a strong asset backed balance sheet.

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	Balance at 31/3/22 (restated)			Balance at 31/3/23		
	£'000	£'000	%	£'000	£'000	%
Long term assets	1,052,504			1,123,052		
Short term assets	27,894			27,958		
		1,080,398	87%		1,151,010	91%
Long term investments	58,111			35,212		
Short term investments	106,888			81,808		
		164,999	13%		117,020	9%
Total Assets		**1,245,397**			**1,268,030**	
Current liabilities	(66,221)			(65,020)		
Long term liabilities	(116,284)			(20,550)		
		(182,505)	38%		(85,570)	22%
Short term borrowing	(134,292)			(127,232)		
Long term borrowing	(169,599)			(168,053)		
		(303,891)	62%		(295,285)	78%
Total Liabilities		**(486,396)**			**(380,855)**	
Net Assets		**759,001**			**887,175**	

3.2 The summary balance sheet shows that cash investments make up approximately 10% of the Councils assets. Investment property makes up 15% of the long-term assets (being £178 million). The largest proportion of our liabilities is long-term borrowing, of which 87% is HRA debt, and the remaining 13% is for the WUV project.

Financial Stability/Sustainability

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

	2022/23 Actual ('000)	2023/24 Outturn ('£000)	2024/25 Estimate ('£000)	2025/26 Estimate ('£000)	2026/27 Estimate ('£000)	2027/28 Estimate ('£000)
Total debts	295,285	231,235	383,507	405,564	405,564	405,564
Total assets	1,268,030	1,347,333	1,521,419	1,544,496	1,542,432	1,537,246
Debt Ratio %	23%	17%	25%	26%	26%	26%

3.4 This shows that our gearing is low, but increasing and remaining steady, which is because of our strong asset base, and projecting forwards capital spend will continue to grow our asset base.

3.5 Future years' estimates are based on adding the budgeted cost of capital investment onto the assets, and adding the assumed debt funded expenditure (not external debt as shown in the liability benchmark) to the debt figure to give an idea how the financial stability of the Council will be evolving.

Local indicators

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

- Total debt as a % of long-term assets
- Ratio of equity by net revenue expenditure
- Un-ringfenced reserves as a % of net revenue expenditure
- Working capital as a % of net revenue expenditure

 Appendix 1

- Short term liability pressure (short term liabilities as a % of total liabilities)
- Total investments as a % of net revenue expenditure
- Investment property as a % of net revenue expenditure

3.7 Suggested Government local indicators are:

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

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

Treasury position

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

	March 23 Actual £'000	Dec 23 position £'000
Investments		
Managed in-house		
Notice Accounts - UK	3,000	3,000
Money Market Funds	3,901	32,530
Temporary Fixed Deposits	60,200	47,000
Long term Fixed Deposits	0	10,000
Short term bonds	5,150	1,000
Covered Bonds	10,050	10,550
Total investments managed in-house	**82,301**	**104,080**
Pooled Funds		
CCLA	6,420	6,309
Schroders	730	718
UBS	1,767	1,711
Royal London	2,133	2,178
Fundamentum	1,880	1,966
Aegon	2,407	2,410
Funding Circle	96	96
Total pooled funds investments	**15,433**	**15,389**
Total Investments	**97,734**	**119,469**
Borrowing		
Temporary borrowing	115,000	88,000
Long-term borrowing (PWLB)	179,599	200,235
Total borrowing	**294,599**	**288,235**
Net investments / (borrowing)	**(196,865)**	**(168,766)**

3.10 The table shows the position at the start of the financial year (included in the balance sheet), and the position at the end of December 2023 (the latest position).

3.11 Investment balances have increased as a result of cash flow timings. Long term borrowing has increased in favour of short-term borrowing as a result of borrowing for the capital programme. The net borrowing position has decreased since due to a higher level of investments than reduction in borrowing.

 Appendix 1

4. Capital expenditure

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

4.2 The Council has a Corporate Plan and medium to long-term aspirations within the Borough. There are processes and procedures in place to ensure the capital programme is approved and monitored for good governance.

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

- Capital vision (radar stage)
- Approved programme (outline & final business case stage)
- Provisional programme (strategic outline case stage)
- Reserves and s106 funded programmes.

4.4 The Council splits the schemes into three types to enable us to review the amount of spend on statutory items against those which we are expecting a financial return from as part of our regeneration plans:

a) development for financial reasons - those schemes that are for economic growth, regeneration, and redevelopment (including housing schemes) which have a neutral or positive direct financial benefit to the council. It is envisaged that this is achieved by the revenue income generated by the completed scheme/project being greater than the capital financing costs on the GF revenue account or by the capital receipts generated from the scheme being sufficient to repay any debt used to finance the scheme such that there are no borrowing costs on the revenue account.

b) development for non-financial reasons - those schemes that are for economic growth, regeneration, redevelopment, including housing schemes and infrastructure which have no direct financial benefit to the Council and,

c) non-development essential schemes (i.e., those that must be done to keep our fixed assets in an acceptable condition) - those schemes that need to be undertaken for statutory/compliance reasons, are required to maintain service provision at existing levels (or prevent cost escalation). They often do not have cashable savings or efficiencies associated with them, but often prevent further cost escalation of services. Essential schemes often have revenue costs associated with them, particularly if funded from borrowing.

4.5 The capital programme covers a rolling 5 to 10-year period, with more emphasis on the first five years.

4.6 Any projects that are expected to be delivered after the first five years of the programme, or those where the scheme has not yet been fully identified are placed on the Council's Capital Vision. The vision enables us to model the potential financial impact of these schemes and be aware of the potential schemes to be brought forward onto the GF capital programme in future.

4.7 Many of the schemes in the capital programme are development projects, and their expenditure and income profiles span beyond the five-year timeframe. The Council's capital programme, is therefore, a prudent one. Any income arising as a result of a development project that is outside the five years or is currently only estimated is shown in the capital vision. Any development projects will be subject to a thorough business case, which will assess the delivery model, and officers will ensure that they are financially viable before they can proceed.

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

4.9 The Council maintains a provisional programme to be able to produce a realistic five-year programme and include the financial implications in the outline budget. It also gives Councillors an indication as to what schemes are being investigated, and an indication as to when these schemes may be progressed.

 Appendix 1

4.10 Under the financial regulations, schemes that are fully funded by s106 receipts or grants and contributions can be added to the capital programme under delegation.

4.11 During the year, the Capital Monitoring Group (CMG) meets on a quarterly basis to review the scheduling of the capital programme. The group consists of officer representatives across the Council from different departments to give a joined-up approach.

4.12 The capital programme is also reviewed by CMB and Corporate Governance and Standards Committee (CGSC) as part of the regular quarterly financial monitoring and then as part of the final accounts report. Under the PPM Governance framework, the Enterprise Portfolio Board (EPB), and its subgroups, meet regularly, and they receive highlight reports on the progress of all the major projects in the capital programme.

4.13 The proposed financing of the capital programme assume available resources will be used in the following order:

a) capital receipts from the sale of assets (after applying the flexible use of capital receipts policy if applicable)

b) capital grants and contributions

c) earmarked reserves

d) the general fund capital schemes reserve

e) revenue contributions

f) internal borrowing

g) external borrowing

4.14 The actual financing of each years' capital programme is determined in the year in question.

4.15 Capital expenditure is split between the GF (incorporating non-HRA housing) and HRA housing.

4.16 Our current approved capital programme, revised in year for updates in the programme and for the new bids to be submitted for approval by the Executive is as follows:

CAPITAL EXPENDITURE SUMMARY	2023/24 Approved £000	2023/24 Outturn £000	2023/24 Variance £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
General Fund Capital Expenditure								
- Main Programme	147,239	77,963	(69,276)	83,074	2,496	2,000	2,000	0
- Provisional schemes	48,428	2,078	(46,350)	91,892	59,690	14,841	8,365	5,380
- Schemes funded by reserves	1,031	1,504	473	1,120	0	0	0	0
- S106 Projects	122	303	181	0	0	0	0	0
- New Bids (net cost)	0	0	0	890	982	1,148	6,465	368
Total Expenditure	**196,820**	**81,848**	**(114,972)**	**176,976**	**63,168**	**17,989**	**16,830**	**5,748**
Financed by :								
Capital Receipts	0	(2,681)	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
Capital Grants/Contributions	(46,336)	(49,079)	(2,743)	(20,622)	(1,020)	(750)	0	0
Capital Reserves/Revenue	(1,131)	(1,787)	(656)	(1,192)	0	0	0	0
Borrowing	(149,353)	(28,300)	121,053	(153,162)	(23,039)	(1,148)	(6,465)	(368)
Financing - Totals	**(196,820)**	**(81,848)**	**114,972**	**(176,976)**	**(63,168)**	**(17,989)**	**(16,830)**	**(5,748)**
Housing Revenue Account Capital Expenditure								
- Main Programme	47,866	34,537	(13,329)	16,789	6,019	2,377	5,040	0
- Provisional schemes	15,928	0	(15,928)	18,124	26,047	57,282	11,582	18,239
- New bids	0	0	0	0	0	0	0	0
Total Expenditure	**63,794**	**34,537**	**(29,257)**	**34,913**	**32,066**	**59,659**	**16,623**	**18,239**
Financed by :								
- Capital Receipts	(8,494)	(2,740)	5,754	(11,595)	(10,836)	(21,633)	0	(5,066)
- Capital Reserves/Revenue	(28,286)	(15,461)	12,825	(23,318)	(21,230)	(38,025)	(16,623)	(13,173)
- Borrowing	0	0	0	0	0	0	0	0
Financing - Totals	**(36,780)**	**(18,201)**	**18,579**	**(34,913)**	**(32,066)**	**(59,659)**	**(16,623)**	**(18,239)**

4.17 The programme has slipped in 2023/24 – estimated expenditure on the GF of £196 million, has been reduced to £82 million. The majority of this relates to expenditure on investment properties and regeneration schemes and have now either been removed from the programme in December 2023 or moved into later years.

4.18 We split expenditure on housing services between the HRA and GF housing. Any expenditure that relates to the Council's own stock, or its role as a landlord, is accounted for in the HRA capital programme. All other housing related expenditure is accounted for in the GF capital programme. Where there are mixed use schemes, we will split the expenditure based on the proposed percentage of social/affordable housing to be developed.

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New capital schemes

4.19 To ensure good governance, the Council has the following process for the capital programme.

4.20 Each year, as part of the budget cycle, officers are asked to submit bids for capital funding covering at least a five-year period, and also radar projects for the capital vision. Requests also come through via the PPM mandate process the Council has adopted.

4.21 Any projects that are expected to be delivered after the five-year period, or those where a scheme has not yet been fully identified are placed on the Council's Capital Vision [1](see Appendix 9). This allows us to model the potential financial impact of these schemes and be aware of schemes that are likely to be brought forward onto the GF capital programme in future and start planning potential funding streams for those schemes.

4.22 Each project will require a business case, in line with guidance set out in the HM Treasury Green Book ('Green book'). The following applies:

- Simple non-complex projects (e.g., BAU R&M) – a simple business justification case will be required to justify the spending proposal,
- All other projects will require a 3-stage business case consisting of:
    - a strategic outline case (i.e., the capital bid),
    - a detailed outline business case evaluating the strategic case, economic case (including options appraisal), commercial viability, financial affordability, and management case for change – this will be reported to the Executive at the point a project is asking for approval to be moved from the provisional to the approved capital programme,

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

- a final business case – setting out the procurement process and evaluation of tenders prior to the contractual commitment of expenditure.

4.23 The Council has a limited resources and must have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, is evaluated to ensure it meets the Council's objectives. The criteria are:

a) Each project must meet one of the five spending objectives:

   a. Economy (invest to save, i.e., to reduce cost of services)

   b. Efficiency (i.e., to improve throughput and unit costs)

   c. Effectiveness (improving outcomes for the community)

   d. Retendering to replace elements of the existing service

   e. Statutory or regulatory compliance (i.e., H&S)

b) Each scheme must be assessed against the fundamental themes within the Council's Corporate Plan to show how well it contributes towards achieving the strategic objectives of the Council.

c) Each scheme must have some or all of a cost benefit analysis, including but not limited to detailing the Net Present Value calculation (NPV) of both cash-flows and quantifiable economic benefits, payback period, Internal Rate of Return (IRR), Peak Debt and the assessment of its Revenue impact.

d) NPV is to be the most important criteria and must remain positive over a range of sensitivities for the Council to invest.

e) NPV calculation must use the recommended treasury discount rate in the Green Book, currently at 3.5%.

f) The revenue impact must be neutral or positive on the GF for all development schemes for financial reasons.

g) All projects should assess the qualitative benefits.

4.24 Once Councillors have approved the new bids, they will be added to the provisional capital programme, unless the business case specifically

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recommends the scheme be implemented immediately, explaining in detail why.

4.25 Most projects over £200,000 require a further outline business case to be approved by the Executive before a project can be moved from the provisional to the approved programme, and authority is provided for officers to start implementing the project. Any project under £200,000 can be moved under delegation.

4.26 The net addition of the new bids for the GF is assumed to be funded by borrowing. Any HRA new bids are assumed to be funded 1/3 capital receipts (RTB receipts), 1/3 borrowing and 1/3 capital reserves.

5. Treasury management, borrowing and investment strategy

5.1 Treasury management is the management of the Council's cash flows, borrowing and investments and the associated risks. The Council both borrows and invests substantial amounts of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

5.2 Treasury risk management at the Council is conducted within the framework of the CIPFA Treasury Management in the Public Services: Code of Practice 2021 ('TM Code') which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the TM Code.

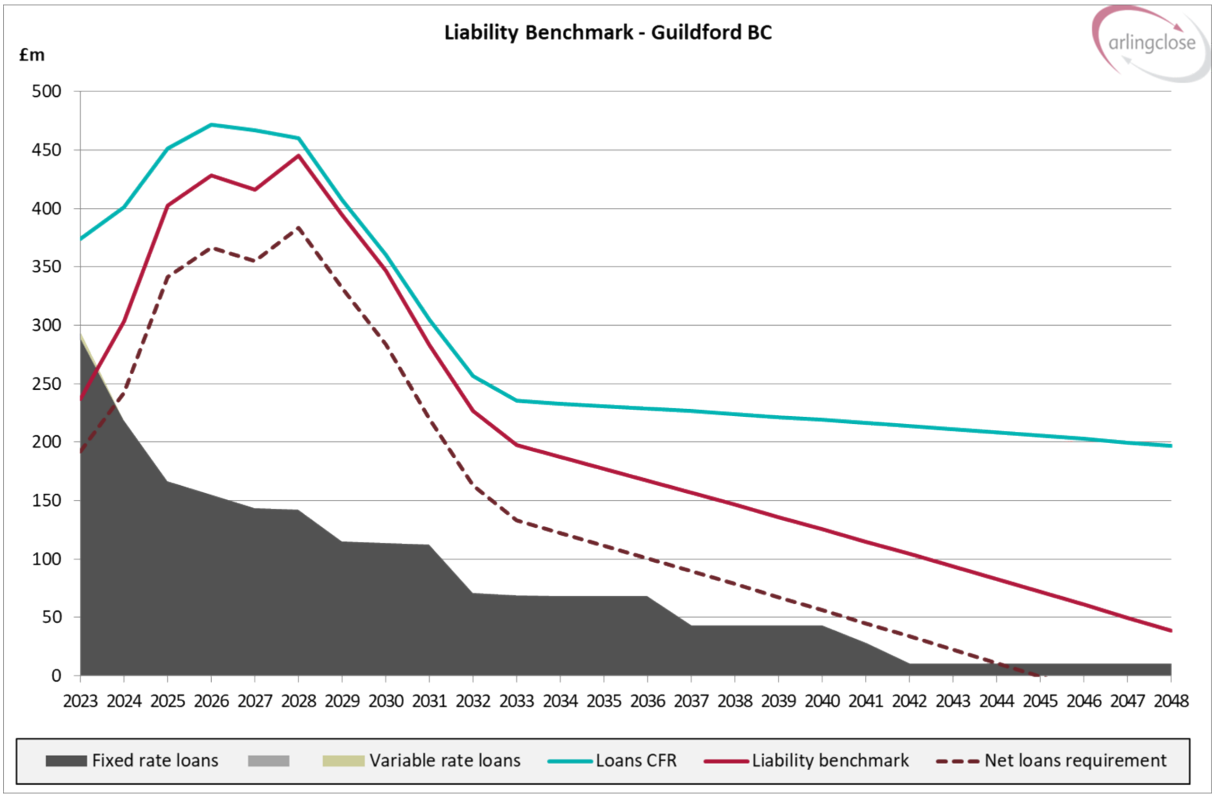
Capital Financing Requirement (CFR)

5.3 With the current treasury position, and future capital expenditure plans known, we can prepare a table showing the extent of our need to borrow for capital purposes (the CFR), and what we have borrowed, compared to our level (and projected level) of reserves. We split this between the HRA and the GF.

5.4 The CFR is derived from unfinanced capital expenditure, which arises when there are no capital receipts or reserves available to fund the capital programme.

5.5 The Council's investments consist of usable reserves and working capital and are the underlying resources available for investment.

5.6 The Liability Benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day to day cash flow.



NOTE - The impact of the asset disposal programme is not shown as timing is unpredictable at present. This will reduce the peak CFR to below £450 million.

5.7 The liability benchmark shows the lowest risk level of required borrowing – i.e., using the Council's overall cash to fund the capital programme, and only externalising the borrowing when our minimum liquidity requirement is reached. If the liability benchmark line rises above the amount of loans we have (shaded area), we need to borrow externally and no longer have any internal borrowing capacity.

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5.8 Items on the capital vision are currently excluded, mainly because the cost and/or timings of the schemes are unknown.

5.9 The Prudential Code recommends that the Council's total debt (external borrowing) should be lower than its forecast CFR over the next three years – in other words, not over borrowing. The above shows that we are expecting to comply with this recommendation.

5.10 The table below shows our gross debt position against our CFR. This is one of the Prudential Indicators and is a key indicator of prudence. This indicator aims to ensure that, over the medium-term, debt will only be for a capital purpose. We monitor this position and demonstrate prudence by ensuring that medium to long-term debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years (2023/24 to 2025/26).

	Actual	Forecasts	£m				
Position at 31 March	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Loans CFR	374.2	400.9	451.5	471.8	467.1	460.1	407.2
External borrowing	-295.1	-229.6	-177.0	-165.5	-153.9	-152.4	-125.9
Internal (over) borrowing	79.1	171.3	274.5	306.3	313.2	307.7	281.4
Balance sheet resources	-182.2	-162.0	-138.3	-124.0	-103.9	-100.1	-109.0
Investments (new borrowing)	103.1	-9.4	-136.2	-182.3	-209.3	-207.6	-172.4
Treasury investments	103.1	98.2	51.0	35.3	20.0	20.0	20.2
New borrowing	0.0	107.5	187.2	217.6	229.3	227.6	192.6
Net loans requirement	192.0	239.0	313.3	347.8	363.2	360.0	298.3
Liquidity allowance	20.0	98.2	51.0	35.3	20.0	20.0	20.2
Liability benchmark	212.0	337.1	364.2	383.1	383.2	380.0	318.5

5.11 The Council has an increasing CFR due to the increasing need to borrow for the GF capital programme. The increase in estimated capital spend is more than the annual MRP. We are projecting the cash balance of the Council to reduce, whilst maintaining a good level of (core) reserves over the period shown in the table.

5.12 HRA reserves are decreasing over the early part of the period because of the HRA plans to build new social housing. Our priority is to build new homes rather than reduce debt.

5.13 GF reserves are projected to remain relatively stable (our core cash). The CFR is increasing sharply due to the proposed capital programme. We are projecting a large need to borrow for the Council from 2024/25, based on the current profile of the capital programme. We have taken out short-term loans in the year to cover cash flow.

Borrowing strategy

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

5.15 Given the significant cuts to public expenditure and in particular local government funding, our borrowing strategy continues to focus on affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15 year high but are expected to fall in the coming years, therefore, it is likely to be more cost effective over the medium-term to either use internal resources or to borrow short-term loans instead.

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

5.17 When making decisions about longer-term borrowing, we will review the liability benchmark, as opposed to just the CFR, to assess the length of time we need to borrow for, according to our projections on the level of reserves we may have, as well as other factors detailed in our borrowing strategy. This helps to limit a number of treasury risks of holding large amounts of debt and investments. We will also assess borrowing based on individual projects.

5.18 By doing this, we are able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk.

5.19 We will undertake some modelling taking into account the projects listed in the Corporate Plan and capital vision, for example, which will tell us the potential impact on our borrowing requirement.

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5.20 We will continue to monitor our internal borrowing position against the borrowing rates in the market. Arlingclose will assist us with this 'cost of carry' and breakdown analysis in line with our capital spending plans. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short term.

5.21 The Council may decide to externalise our current internal borrowing, or to pre-fund future years' requirement, providing this does not exceed the authorised borrowing limit and the highest level of the CFR in the next three years (to ensure we do not over borrow).

5.22 Its output may determine whether we arrange forward starting loans where the interest is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

5.23 We may continue to borrow short-term for cash flow shortages.

5.24 We have an agreement with Homes England on the WUV project, whereby we have been successful in being granted a loan at the local infrastructure rate. Borrowing will be taken out from the PWLB in line with the agreed timetable.

5.25 The Government has also announced a HRA borrowing rate which is gilts less 60bp. The Council has previously repaid £45 million of HRA borrowing and may choose to re borrow this to take advantage of the preferential rates.

Sources of borrowing

5.26 We have previously borrowed our long-term borrowing from the PWLB. We will consider all borrowing sources moving forwards and may explore the possibility of issuing bonds and similar instruments in order to lower interest costs and reduce over reliance on one source of funding, in line with the TM Code.

5.27 PWLB loans are no longer available to local authorities planning to buy investment assets primary for yield, we made the decision several years ago to only buy properties for strategic reasons, and not those purely for yield.

5.28 We will consider, but are not limited to, the following long- and short-term borrowing sources:

- HM Treasury's PWLB lending facility
- UK Infrastructure Bank
- any institution approved for investments
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the local pension fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Other private institutional investors

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

- leasing
- hire purchase
- sale and leaseback
- similar asset based finance

Municipal Bond Agency (MBA)

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

a) borrowing authorities will be required to provide bonds investors with a guarantee to refund their investment in the event that the agency is unable to for any reason and

b) there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

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Short-term and variable rate loans

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

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

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

Maturity Structure of borrowing		
	2024/25	
	Lower	**Upper**
Under 12 months	0%	50.00%
1 year to 2 years	0%	50.00%
3 years to 5 years	0%	60.00%
6 years to 10 years	0%	75.00%
11 years and above	0%	100.00%

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

Debt Rescheduling

5.35 The PWLB allows local authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk and where we have sufficient money in reserves to fund the repayment. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Investment strategy

5.36 The TM code (and CIPFA Code) requires the Council to invest its treasury funds prudently, and to have regard to the security (protecting capital sums from loss) and liquidity (keeping money readily available for expenditure when needed or having access to cash) of investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

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

5.38 The TM Code does not permit Councils to both borrow and invest long-term for cash flow management, but they may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme up to three years, to manage inflation risk by investing usable reserves in instruments whose value rises with inflation and to manage price risk by adding diversification to the strategic pooled fund portfolio.

5.39 Diversification is key. All investments can earn extra interest, but not all investments will default. Also, to highlight the need for security and diversification it takes a long time of earning an extra 1% of interest cover to cover the 20% to 50% loss from a default. It is unlikely we will be able to move away from unsecured deposits entirely, but the less in this category and the more diversified the portfolio is the better the spread of risk.

5.40 Under the IRFS 9 accounting standard the accounting of certain investments depends on the Council's 'business model' for managing them. The Council aims to achieve value from its internally managed

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treasury investments by a business model of collecting the contractual cash flows and, therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

5.41 The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

5.42 ESG considerations are increasingly a factor in global investors decision making, but the framework for evaluating investment opportunities is still developing and therefore the Councils policy does not currently include ESG scoring or other real time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Counterparty limits

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

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

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

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

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

5.47 For entities without published credit ratings, investments will only be made following external advice.

5.48 Government: loans to, and bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years. Local Authorities are statutory bodies and have access to the PWLB for borrowing, and any of these loans would be transferred to a successor body. There has not been a Local authority default, despite some s114 notices being put in place, instead Government has stepped in so the risk of a local authority defaulting is very low.

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

5.50 Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator

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determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

5.51 Registered providers (unsecured): loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formally known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

5.52 Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

5.53 Strategic Pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

5.54 Real estate investment trusts (REITs): shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with the property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

5.55 Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans.

Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

5.56 Operational bank accounts: the Council may incur operational exposures, for example, through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

5.57 HSBC are our bankers. We may place investments with them, and on occasions we may be in a position where we have received some unexpected cash, and we may, therefore, breach the unsecured limit. We would aim for this to be for as short a duration as possible.

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

5.59 We may invest in investments that are termed 'alternative' investments. These include, by way of example, but are not limited to, things such as renewable energy bonds and regeneration bonds. These are asset backed bonds, offering good returns, and will enable the Council to enter new markets, thus furthering the diversification of our investment portfolio with secured investments and enhancing yield. Any investments entered into of this type will be subject to a full due diligence review.

Risk and credit ratings

5.60 Arlingclose obtain and monitor credit ratings and they notify us with any changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

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- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.61 Where credit rating agencies announce that a credit rating is on review for possible downgrade ("negative watch") so that it may fall below the approved rating criteria, we will limit new investments with that organisation to overnight until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.62 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the institutions in which we invest, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management and investment advisors.

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

5.64 The Council is aware that investments with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

5.65 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of our investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to meet the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

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

- Security: we have adopted a voluntary measure of our exposure to credit risk by monitoring the value-weighted average credit rating of our investment portfolio. This is calculated by applying a score to each investment based on credit ratings (AAA=1, AA+=2 etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The average portfolio credit rating target is set for A for 2024/25.
- Liquidity: we monitor our liquidity for a given financial year using an online cash-flow system. We project forward for the financial year and enter all known cash transactions at the beginning of the financial year and then update the position on a daily basis. This forms the basis of our investment decisions in terms of duration and value of investments made. We have set £45 million as our minimum liquidity requirement. We also have a high-level cash flow projection over four years.

Interest rate risk

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

5.68 Long term treasury management investments: the purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The upper limit on the long-term treasury management investments is £30 million.

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

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

5.71 Whilst we are a long-term borrower, where we do invest cash for longer than three years it is generally in tradeable instruments (e.g. covered bonds) so we have access to liquidity if we need it, and are therefore comfortable we are not investing primarily for financial return

6. Other items

6.1 There are a number of additional items the Council is obliged under the TM CIPFA code.

Policy on the use of Financial Derivatives

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

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

6.4 The Council will only use standalone derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

6.5 We may arrange financial derivative transactions with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

6.6 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Derivative

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

Policy on apportioning interest to the HRA

6.8 The Council operates a two-pooled approach to its loan's portfolio, which means we separate long-term HRA and GF loans.

6.9 Interest payable and other costs or income arising from long-term loans (for example premiums and discounts on early redemption) will be charged or credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRAs underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance, which may be positive or negative. Annual interest will be calculated on the closing balance at our average interest rate on treasury investments excluding strategic pooled funds, adjusted for credit risk if a net investment balance, and at the council's average rate of borrowing if a net borrowing balance.

6.10 We will charge long-term loan interest on an actual basis, as incurred.

Agenda item number: 6
Appendix 2

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate (a) £000	Cumulative spend at 31-03-23 (b) £000	2023-24 Estimate approved by Council in February (c) £000	Revised estimate (d)	Expenditure at 02.01.24 (e) £000	Projected exp est by project officer (f) £000	2024-25 Est for year (i) £000	2025-26 Est for year (ii) £000	2026-27 Est for year (iii) £000	2027-28 Est for year (iv) £000	2028-29 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(f)+(g) = (h) £000	Grants / Contributions towards cost of scheme (i) £000
			APPROVED SCHEMES (fully funded from S106 contributions)														
			COMMUNITY WELLBEING DIRECTORATE														
			Environmental Services														
S-PL36	HJ	P18177	Gunpowder mills - signage, access and woodland imps	36	22	14	14	1	14	-	-	-	-	-	-	36	(36)
S-PL38	HJ	P18192	Chantry Wood Campsite	36		36	36	-	36	-	-	-	-	-	-	36	(36)
S-PL51	SA	P18225	Foxenden Quarry	101	54	59	47	18	47	-					-	101	(101)
S-PL48	HJ	P18230	Boardwalk Heathfield Nature Reserve	13		13	13	-	13	-					-	13	(13)
S-PL54	SA	P18241	Shalford park Trim Trail	12			12		12	-					-	12	(12)
S-PL55		P18242	GLIVE Landscaping	1			1	1	1							1	(1)
S-PL56		P18243	The Briars Playarea	169			169		169							169	(169)
S-PL57	SA	P18245	Stoke Park Fencing of Feature Planting & Ponw	10			10	10	10							10	(10)
			COMMUNITY WELLBEING DIRECTORATE TOTAL	**378**	**76**	**122**	**303**	**30**	**303**	**-**	**-**	**-**	**-**	**-**	**-**	**378**	**(378)**
			APPROVED S106 SCHEMES TOTAL	**378**	**76**	**122**	**303**	**30**	**303**	**-**	**-**	**-**	**-**	**-**	**-**	**378**	**(378)**

SUMMARY	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(h)	(i)
APPROVED S106 SCHEMES - TOTAL	76	122	303	30	303	-	-	-	-	-	-	378	(378)
GRAND TOTAL	**76**	**122**	**303**	**30**	**303**	**-**	**-**	**-**	**-**	**-**	**-**	**378**	**(378)**
FINANCED BY - S106 CONTRIBUTIONS	**(76)**	**(122)**	**(303)**	**(30)**	**(303)**	**-**	**-**	**-**	**-**	**-**	**-**	**(378)**	**378**

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

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate (a) £000	Cumulative spend at 31-03-23 (b) £000	2023-24 Estimate approved by Council in February (c) £000	Revised estimate £000	Expenditure at 02.01.24 (e) £000	Projected exp est by project officer (f) £000	2024-25 Est for year (i) £000	2025-26 Est for year (ii) £000	2026-27 Est for year (iii) £000	2027-28 Est for year (iv) £000	2028-29 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(f)+(g) = (h) £000
			PLACE DIRECTORATE													
		P59...	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	
R-EN12	7-2021		LED lighting	44		-	44	-	44	-	-	-	-	-	-	44
			ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:													
			GBC 'Invest to Save' energy projects (to be repaid in line with savings)			-	-	-	-	-					-	
R-EN14	BID207	P59108	SMP - air source heat pump	28	1	-	27	-	27	-	-	-	-	-	-	28
			ENERGY RESERVES TOTAL	**72**	**1**	**-**	**71**	**-**	**71**	**-**	**-**	**-**	**-**	**-**	**-**	**72**
			CAR PARKS RESERVE													
R-CP1	KMc	P37503	Car parks - install/replace pay-on-foot equipment	1,170	240	-	-	-	-	930	-	-	-	-	930	1,170
R-CP14	KMc/RH	P37514	Lift replacement (PR000293)	841	716	-	125	-	125	-	-	-	-	-	-	841
R-CP19	BID194	P37523	Structural works to MSCP	300	50	-	100	-	100	-	-	-	-	-	-	150
R-CP21	08-2021	P37526	Additional barriers Farnham Rd	15		-	15	-	15	-	-	-	-	-	-	15
R-CP22	08-2021	P37527	Deck surface replacement (stair cores)Farnham Rd	70		-	70	5	70	-	-	-	-	-	-	70
R-CP25	1 & BID 11	P37530	Structural repairs roof turret timbers Castle St Car Park	210		200	200	-	20	190	-	-	-	-	190	210
			CAR PARKS RESERVE TOTAL	**2,606**	**1,006**	**200**	**510**	**5**	**330**	**1,120**	**-**	**-**	**-**	**-**	**1,120**	2,456
			COMMUNITY WELLBEING DIRECTORATE													
			INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually													
			Hardware / software budget	500		440	440	-	440	-	-		-	-	-	440
R-IT1	SW-M	P81002	Hardware	annual	annual	-	-	73	-	-	-	-	-	-	-	-
R-IT2	SW-M	P81002	Software	annual	annual	-	-	-	-	-	-	-	-	-	-	-
	12,710	P81038	ICT Refresh Phase 2			60	60	6	60	-	-			-	-	60
		P81037	Salesforce	1,200	196			131	131							
R-IT3	09-1920		IDOX Acolaid to Uniform	275		275	275		275	-	-	-	-	-	-	275
R-IT4	09-1920		LCTS alternative	56		56	56		56	-		-	-	-	-	56
			IT RENEWALS RESERVE TOTAL	**2,031**	**196**	**831**	**831**	**209**	**962**	**-**	**-**	**-**	**-**	**-**	**-**	**831**
			SPA RESERVE :													
		P20...	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1		P201..	Chantry Woods					-	-						-	
R-SPA2		P202..	Effingham					-	-						-	
R-SPA3		P203..	Lakeside					-	-						-	
R-SPA4		P204..	Riverside					-	-						-	
R-SPA5		P205..	Parsonage					-	-						-	
			SPA RESERVE TOTAL	**100**	**-**	**-**	**151**	**-**	**151**	**-**	**-**	**-**	**-**	**-**	**-**	**151**
			TRANSFORMATION & GOVERNANCE DIRECTORATE													
			SPECTRUM RESERVE													
R-S14			Spectrum schemes (to be agreed with Freedom Leisure)	431	168	-	-	-	-	-					-	168
			SPECTRUM RESERVE TOTAL	**431**	**168**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**168**
			GRAND TOTALS	**5,240**	**1,370**	**1,031**	**1,564**	**214**	**1,514**	**1,120**	**-**	**-**	**-**	**-**	**1,120**	**3,678**

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GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

1.0 **AVAILABILITY OF RESOURCES - NOTES :**

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

1.2 The actuals for 2022-23 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)**	**2022-23 Actuals £000**	**2023-24 Budget £000**	**2023-24 Est Outturn £000**	**2024-25 Estimate £000**	**2025-26 Estimate £000**	**2026-27 Estimate £000**	**2027-28 Estimate £000**	**2028-29 Estimate £000**
Balance as at 1 April	127	0	136	0	0	0	2,814	8,000
Add estimated usable receipts in year	169	0	2,545	2,000	39,109	18,905	15,551	56,227
Less applied re funding of capital schemes	(159)	0	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
Balance after funding capital expenditure as at 31 March	**136**	**0**	**0**	**0**	**0**	**2,814**	**8,000**	**58,847**

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GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

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3.0 **Capital expenditure and funding - summary**	**2022-23 Actuals £000**	**2023-24 Budget £000**	**2023-24 Est Outturn £000**	**2024-25 Estimate £000**	**2025-26 Estimate £000**	**2026-27 Estimate £000**	**2027-28 Estimate £000**	**2028-29 Estimate £000**
Estimated captial expenditure								
Main programme - approved	34,053	147,359	72,123	88,944	2,496	2,000	2,000	0
Main programme - provisional	0	48,308	458	93,392	59,690	14,841	8,365	5,380
s106	283	122	303	0	0	0	0	0
Reserves	1,109	1,031	1,514	1,120	0	0	0	0
GF Housing	0	0	0	0	0	0	0	0
Total estimated capital expenditure	**35,445**	**196,820**	**74,398**	**183,456**	**62,186**	**16,841**	**10,365**	**5,380**
To be funded by:								
Capital receipts *(per 2.above)*	(159)	0	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
Contributions	(6,862)	(46,336)	(49,079)	(20,622)	(1,020)	(750)	0	0
R.C.C.O. :								
Other reserves	(2,389)	(1,131)	(1,798)	(1,192)	0	0	0	0
	0	0	0	0	0	0	0	0
	(9,410)	(47,467)	(53,558)	(23,814)	(40,129)	(16,841)	(10,365)	(5,380)
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(26,035)	(149,353)	(20,840)	(159,642)	(22,057)	0	0	0
Total funding required	**(35,445)**	**(196,820)**	**(74,398)**	**(183,456)**	**(62,186)**	**(16,841)**	**(10,365)**	**(5,380)**

4.0 **General Fund Capital Schemes Reserve (U01030)**	**2022-23 Actuals £000**	**2023-24 Budget £000**	**2023-24 Est Outturn £000**	**2024-25 Estimate £000**	**2025-26 Estimate £000**	**2026-27 Estimate £000**	**2027-28 Estimate £000**	**2028-29 Estimate £000**
Balance as at 1 April	0	0	0	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Less: Applied re funding of capital programme	0	0	0	0	0	0	0	0
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	**26,035**	**149,353**	**20,840**	**159,642**	**22,057**	**0**	**0**	**0**

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

		2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
5.0	**Housing capital receipts (pre 2013-14) - estimated availability/usage for Housing, Affordable Housing and Regeneration projects - GBC policy**								
	Balance as at 1 April (T01008)	0	0	0	0	0	0	0	0
	Add: Estimated receipts in year	0	0	0	0	0	0	0	0
	Less: Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
	Less: Applied re Housing company	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
	Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
	Housing receipts - estimated balance in hand at year end	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

		2022-23 Actuals £000	2023-24 Budget £000	2023-24 Est Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000
5.1	**Housing capital receipts (post 2013-14) - estimated availal availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))**								
	Balance as at 1 April (T01012)	50	348	0	360	371	383	395	410
	Add: Estimated receipts in year	645	301	0	304	307	310	313	0
	Less: Applied re Housing (General Fund) capital programme	0	(189)	0	(72)	(75)	(78)	(78)	0
	Less: Applied re Housing Improvement programme	(695)	(100)	0	(220)	(220)	(220)	(220)	(410)
		0	360	0	371	383	395	410	0
	Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
	Housing receipts - estimated balance in hand	**0**	**360**	**0**	**371**	**383**	**395**	**410**	**0**

										Total £'000s
6.1	Estimated annual borrowing requirement	**26,035**	**149,353**	**20,840**	**159,642**	**22,057**	**0**	**0**	**0**	**202,539**
	Bids for funding (net)									
	Total estimated borrowing requirement if all bids on Appendix 1 appro		**149,353**	**20,840**	**159,642**	**22,057**	**0**	**0**	**0**	**202,539**

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29 Revised budg Actual exp Forecast

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	2023-24 Estimate approved by Council in February	Revised estimate	Expenditure at 02.01.24	Projected exp est by project officer	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
				(a)	(b)	(c)	(d)	(e)	(f)	(ii)	(iii)	(iv)	(v)	(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		£000
			APPROVED SCHEMES																
			COMMUNITY WELLBEING DIRECTORATE																
			General Fund Housing																
	PR381	N51008	Disabled Facilities Grants		annual	605	605	357	605	605	-	-	-		605	1,210	(1,210)	-	-
		N51019	Better Care Fund		annual	-	-	266	-	-	-	-	-		-	-	-	-	-
	PR381	N51020	Home Improvement Assistance		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
	PR381	N51021	Solar Energy Loans		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
		N51023	BCF TESH Project		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
		N51024	BCF Prevention grant		annual	-	-	9	-	-	-	-	-		-	-	-	-	-
		N51030/32	SHIP		annual	-	-	-	-	-	-	-	-		-	-	-	-	-
			General Grants to HAs		annual	100	100	-	100	100	-	-	-		100	200	-	-	200
			COMMUNITY WELLBEING DIRECTORATE TOTAL	**0**	**0**	**705**	**705**	**632**	**705**	**705**	**0**	**0**	**0**	**0**	**705**	**1,410**	**-1,210**	**0**	**200**
			PLACE DIRECTORATE																
			Assets and Property		-	-	-	-	-	-	-	-	-		-	-	-	-	-
ED21 &		P72022	Methane gas monitoring system	100	48	52	52	-	(0)	52	-	-	-	-	52	100	-	-	100
ED22 &		P74058	Energy efficiency compliance - Council owned properties	245	102	133	143	-	0	143	-	-	-	-	143	245	-	-	245
ED26		P51053	Bridges -Inspections and remedial works	317	256	-	61	15	61	-	-	-	-	-	-	317	-	-	317
ED53	BID97	P74072	Tyting Farm Land-removal of barns and concrete hardstanding	200	143	57	57	7	10	47	-	-	-		47	200	-	-	200
OP1/OP		P66*	Flood resilience measures (use in conjunction with grant	445	324	-	121	-	0	121	-	-	-	-	121	445	-		445
OP26	PR264	P35022	Merrow lane grille & headwall construction	60	3	-	57	-	-	57	-	-	-	-	57	60	-		60
			PLACE DIRECTORATE TOTAL	**1,367**	**876**	**242**	**491**	**22**	**71**	**420**	**0**	**0**	**0**	**0**	**420**	**1,367**	**0**	**0**	**1,367**
			COMMUNITY WELLBEING DIRECTORATE																
			Community Services																
PL60	7-1920		Traveller transit site provision	127		-	127	-	-	127	-	-	-	-	127	127	-		127
			Environmental Services																
OP6	PR304	P58012	Vehicles, Plant & Equipment Replacement Programme	12,815	10,529	149	136	30	70	2,216	-	-	-	-	2,216	12,815	(26)		12,789
OP28	PR284		Crown court CCTV	10	-	-	10	-	-	10	-	-	-	-	10	10	-		10
OP22	5-1920		Town Centre CCTV upgrade	106	-	125	250	-	-	106	-	-	-	-	106	106	(106)		-
PL20(c)		P18224	Redevelopment of Westborough and Park Barn play area	376	-	320	376	91	376	-	-	-	-	-	-	376	(56)		320
PL34	PR186	P04009	Stoke cemetry re-tarmac	122	77	-	45	-	45	-	-	-	-	-	-	122	-		122
PL57 &	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads	355	337	-	18	18	18	-	-	-	-	-	-	355	-		355
PL58	1-1920	P18220	Shalford Common - regularising car parking/reduction of	121	36	92	85	2	10	75	-	-	-	-	75	121	-		121
PL60	7-1920	P18226	Traveller encampments	53		26	53	3	3	50	-	-	-	-	50	53	-		53
PL61	Bid 2	P18238	Stoke Park Paddling Pool (complete)	170	168	-	2	2	2	-					-	170			170
PL62		P22067	Lido - Drainage Works and Changing Rooms	2,100	1,168	200	879	730	879	53	-				53	2,100		(1,500)	600
PL68	BID 6	P18418	SMP astro turf surface (complete)	3		8	8	3	3	-	-				-	3			3
		P05010	Crematorium Bollards & Lampost	5			5	-	5	-	-				-	5			5
PL67	BID 5		Derby Road playground conversion	120		120	30	-	30	-					-	30			30
			COMMUNITY WELLBEING TOTAL DIRECTORATE	**16,483**	**12,316**	**1,040**	**2,024**	**879**	**1,441**	**2,637**	**-**	**-**	**-**	**-**	**2,637**	**16,394**	**(188)**	**(1,500)**	**14,706**
			TRANSFORMATION & GOVERNANCE DIRECTORATE																
			Finance																
FS1	PR303		Capital contingency fund	annual	-	2,000	1,820	-	1,820	2,000	2,000	2,000	2,000	-	8,000	9,820	-		9,820
			TRANSFORMATION & GOVERNANCE DIRECTORATE TOTAL	**0**	**0**	**2,000**	**1,820**	**0**	**1,820**	**2,000**	**2,000**	**2,000**	**2,000**	**0**	**8,000**	**9,820**	**0**		**9,820**
			DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
			Development / Infrastructure PLACE DIRECTORATE																
ED54	BID129	P74069/P740	Rodboro Buildings - electric theatre through road and parking	416	39	379	377	0	-	377	-	-	-	-	377	416	-		416
P5	PR354	P79027/P790	Walnut Bridge replacement	5,098	5,642	-	-	40	40	-	-	-	-	-	-	5,682	(2,460)	(950)	2,272
		P79032	SMC(West) Phase 1 (complete)	1,944	1,928	-	39	16	16	-	-				-	1,944	(914)		1,029
P21		P79037/P790	Ash Road Bridge	44,000	9,189	22,491	30,473	7,648	19,349	14,966	496	-	-	-	15,462	44,000	(35,965)		8,035
P21		P79038	Ash Road Footbridge	500	183	36	317	0	-	317	-	-	-	-	317	500	-	-	500
		P79995	Broadband for Surrey Hills (B4SH)	60	46	-	14	1	1	13					13	60			60
P11	PR364 &		Guildford West (PB) station (moved to Capital Vision)	500	-	250	500	-	-	-	-	-	-	-	-	-	-		-
			Development Financial - PLACE DIRECTORATE																
ED49	PR395	P72037	Middleton Ind Est Redevelopment	15,007	12,860	300	2,147	2,023	2,147	-	-	-	-		-	15,007			15,007
P12	PR371 &	P72045	Property acquisitions	12,697	9,675	23,953	23,845	1,630	2,022	1,000	-	-	-	-	1,000	12,697	-		12,697
PL9	PR136	P05009	Rebuild Crematorium(complete)	11,111	10,934	-	177	177	177	-	-	-	-	-	-	11,111	-		11,111
ED27		P79023/P790	North Street Development / Guild Town Centre regeneration	1,727	1,586	100	141	57	141	-	-	-	-	-	-	1,727	(250)		1,477
P22	BID 21-	P79039	Shaping Guildford Future (SGF) (no longer reqd)	4,170		2,640	4,170	-	-	-					-	-			-
ED32	PR028	P79026	Internal Estate Road - CLLR Phase 1	11,139	10,946	-	193	896	193	-	-	-	-	-	-	11,139	(5,107)		6,032
P ED6	PR350	P74039 /	WUV (Weyside Urban Village)	170,506	29,004	93,223	110,452	5,653	43,943	66,509	-		-	-	66,509	170,706	(56,787)		113,918
ED6	PR350	P79100/P182	WUV - Allotment relocation	200	3,442	-	-	281	-	-									
ED6	PR350	P79101	WUV - Int roads, Site clearance	-	1	-	-	1,145	-										
ED6	PR350	P79102	WUV - New GBC Depot	2,480	2,424	-	56	578	56	-					-	2,480			2,480
ED6	PR350	P79103	WUV - Off Site Highways			-	-	530	-	-					-				
ED6	PR350	P79104	WUV - Thames Water relocation	-	26,717	-	-	17,075	-										
ED6	PR350	P79105	WUV -Utilities & Plot services			-	-	77	-	-					-	-			-
ED6	PR350	P79106	WUV - Land Purchase	-	1,091	-	-	-	-										
ED6	PR350	P79108	WUV - Waste Transfer Centre					0											
ED6	PR350	P79109	WUV - Commercial Development					0											
ED6	PR350	P79110	WUV - SANG			-	-	212	-	-					-	-			-
ED6	PR350	P79111	WUV - Common Land			-	-	113	-	-					-	-			-
			DEVELOPMENT/INCOME GENERATING/COST REDUCTION	**281,555**	**125,705**	**143,372**	**172,902**	**38,152**	**68,086**	**83,182**	**496**	**0**	**0**	**0**	**83,678**	**277,468**	**-101,484**	**-950**	**175,034**
			APPROVED SCHEMES TOTAL	**299,405**	**138,896**	**147,359**	**177,942**	**39,686**	**72,123**	**88,944**	**2,496**	**2,000**	**2,000**	**0**	**95,440**	**306,459**	**-102,882**	**-2,450**	**201,127**

non-development projects total	17,850	13,192	3,987	5,040	1,534	4,037	5,762	2,000	2,000	2,000	0	11,762	28,991	-1,398	-1,500	26,093
development/infrastructure - non-financial benefit	52,518	17,027	23,156	31,720	7,705	19,406	15,673	496	0	0	0	16,169	52,601	-39,339	-950	12,312
development- financial benefit	229,037	108,678	120,216	141,182	30,447	48,680	67,509	0	0	0	0	67,509	224,867	-62,144	0	162,723
TOTAL	299,405	138,896	147,359	177,942	39,686	72,123	88,944	2,496	2,000	2,000	0	95,440	306,459	-102,882	-2,450	201,127

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GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2023-24 to 2028-29

Ref	Verto ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-23	2023-24 Estimate approved by Council in February	Revised estimate	Expenditure at 02.01.24	Projected exp est by project officer	2024-25 Est for year	2025-26 Est for year	2026-27 Est for year	2027-28 Est for year	2028-29 Est for year	2029-30 Est for year	2030-31Est for year	2031-32 est for yr and SARP to 3233	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
				(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(v)	(v)	(v)	(h)	(b)+(g)+(h)=(i)	(j)	(i) - (j) = (k)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
			PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																		
			PLACE DIRECTORATE																		
			Assets and Property																		
ED21(P)			Methane gas monitoring system	150	-	150	150	-	-	150	-	-		-	-	-	-	150	150	-	150
ED22(P)			Energy efficiency compliance - Council owned properties &	3,218	-	2,718	2,718	-	-	-	2,718	500		-	-	-	-	3,218	3,218	-	3,218
ED26(P)			Bridges	370	-	-	370	-	-	370	-	-		-	-	-	-	370	370	-	370
ED57(p)	BID 7 2324		Investment Property void pot	500		100	100	-	100	100	100	100	100	-				400	500		500
OP21(P)	PR281		Surface water management plan	200	-	200	200	-	-	200	-	-	-	-		-	-	200	200	-	200
PL62(p)	Bid 4 2223		Chilworth Gunpowder Mills	180		165	175	-	20	160	-							160	180		180
			PLACE DIRECTORATE TOTAL	**4,618**	**-**	**3,333**	**3,713**	**-**	**120**	**980**	**2,818**	**600**	**100**	**-**	**-**	**-**	**-**	**4,498**	**4,618**	**-**	**4,618**
			COMMUNITY WELLBEING DIRECTORATE																		
			Environmental Services																		
OP6(P)	Bid 5 2223		Vehicles, Plant & Equipment Replacement Programme	21,850	-	2,900	2,900	-	-	-	3,085	2,766	7,183	5,330	2,000	600	886	21,850	21,850	-	21,850
PL18(P)			Refurbishment / rebuild Sutherland Memorial Park Pavilion (no	150	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
PL45(p)	PR388		Stoke Pk gardens water feature refurb (no longer reqd)	40	-	40	40	-	-	-	-	-	-	-		-	-	-	-	(29)	(29)
PL57(p)	BID211	P18215	Parks and Countryside - repairs and renewal of paths,roads and	1,382	-	250	250	-	-	500	250	250	382	-				1,382	1,382	-	1,382
PL59(p)	BID229		Millmead fish pass	60	-	-	60	-	-	60	-	-	-	-				60	60	-	60
PL63(p)	Bid 9 2223		Memorial Wall	100		-	-	-	-	-	100	-						100	100		100
PL34(p)	Bid 10 2223		Stoke cemetry re-tarmac	18		-	18	-	18	-								-	18		18
PL64(p)	BID 1 2324		Lido Road Allotment Security Fencing	70		70	70	-	70	-								-	70		70
PL65(p)	BID 2 2324		2015 Play strategy action plan (no longer reqd)	200		200	200	-	-	-								-	-		-
			COMMUNITY WELLBEING DIRECTORATE TOTAL	**23,870**	**-**	**3,460**	**3,538**	**-**	**88**	**560**	**3,435**	**3,016**	**7,565**	**5,330**	**2,000**	**600**	**886**	**23,392**	**23,480**	**(29)**	**23,451**
			TRANSFORMATION & GOVERNANCE DIRECTORATE																		
			Commercial Services																		
PL66(p)	BID 3 2324		Spectrum upgrades	7,100		1,250	1,250	-	-	3,000	2,300	1,150	650	-				7,100	7,100		7,100
			TRANSFORMATION & GOVERNANCE DIRECTORATE TOTAL	**7,100**	**-**	**1,250**	**1,250**	**-**	**-**	**3,000**	**2,300**	**1,150**	**650**	**-**	**-**	**-**	**-**	**7,100**	**7,100**	**-**	**7,100**
			DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																		
			Development / Infrastructure - PLACE DIRECTORATE																		
	PR130	P79996	Investment in North Downs Housing (no longer reqd)	30,100	-	5,518	5,518	-	-	-	-	-	-	-				-	-	-	-
	PR130	P79997	Equity shares in Guildford Holdings ltd (no longer reqd)	-	-	3,683	3,683	-	-	-	-	-	-	-				-	-	-	-
P10(p)	PR316		Sustainable Movement Corrider (no longer reqd)	150	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
P11(p)	PR364 &		Guildford West (PB) station (moved to Capital Vision)	1,000	-	1,000	1,000	-	-	-	-	-		-	-	-	-	-	-	-	-
ED48(p)	PR390		Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	3,152	-	-	-	-	-	-	-	3,152	3,152	-	3,152
			Development Financial - PLACE DIRECTORATE																		
OP24(p)	BID 4 2324		GBC Depot - operational	2,430		200	200	-	200	2,200	30	-						2,230	2,430		2,430
P ED16(P)	PR350		WUV (Weyside Urban Village)	150,622	-	1,522	1,522	-	-	83,450	51,057	10,025	-	-	-	-	-	144,532	144,532	-	144,532
ED38(P)	PR041		North Street development	1,250	-	50	50	-	50	50	50	50	50	50	950	-	-	1,200	1,250	-	1,250
P12(p)	PR371 & 4-		Property acquisitions (no longer reqd)	38,292	-	28,292	28,292	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL	**226,996**	**-**	**40,265**	**40,265**	**-**	**250**	**88,852**	**51,137**	**10,075**	**50**	**50**	**950**	**-**	**-**	**151,114**	**151,364**	**-**	**151,364**
			PROVISIONAL SCHEMES - GRAND TOTALS	**262,584**	**-**	**48,308**	**48,766**	**-**	**458**	**93,392**	**59,690**	**14,841**	**8,365**	**5,380**	**2,950**	**600**	**886**	**186,104**	**186,562**	**(29)**	**186,533**

non development projects	35,588	-	8,043	8,501	-	208	4,540	8,553	4,766	8,315	5,330	2,000	600	886	34,990	35,198	(29)	35,169
development/infrastructure - non-financial benefit	34,402	0	10,201	10,201	0	0	3,152	0	0	0	0	0	0	0	3,152	3,152	0	3,152
development- financial benefit	192,594	0	30,064	30,064	0	250	85,700	51,137	10,075	50	50	950	0	0	147,962	148,212	0	148,212
TOTAL	262,584	0	48,308	48,766	0	458	93,392	59,690	14,841	8,365	5,380	2,950	600	886	186,104	186,562	-29	186,533

SUMMARY																	
PROVISIONAL SCHEMES - TOTAL	262,584	-	48,308	48,766	-	458	93,392	59,690	14,841	8,365	5,380	2,950	600	886	186,104	186,562	(29)	186,533
GRAND TOTAL	**262,584**	**-**	**48,308**	**48,766**	**-**	**458**	**93,392**	**59,690**	**14,841**	**8,365**	**5,380**	**2,950**	**600**	**886**	**186,104**	**186,562**	**(29)**	**186,533**

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA APPROVED PROGRAMME

	Project Budget £000	2022-23 Actual £000	Project Spend at 31-03-23 £000	2023-24 Estimate £000	Carry Forward	2023-24 Revised Estimate £000	Expenditure as at 03.01.24 0	2023-24 Projected Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	22,900	4,165	18,382	4,000	518	4,518	2,441	4,518	0	0	0	0	0	22,900
New Build														
Guildford Park	6,575	1,766	5,366	1,084	125	1,209	244	745	464	0	0	0	0	6,575
Bright Hill (no longer reqd)	500	50	67	423	10	433	0	0	0	0	0	0	0	67
Foxburrows Redevelopment	10,657	0	0	9,591	0	9,591	0	0	9,591	1,066				10,657
Shawfield Redevelopment	300		4	296	0	296	0	0	296	0				300
Various small sites & feasibility/Site preparation	1,000		0	0	0	0	0	0	1,000	0	0	0	0	1,000
Pipeline projects:	9,425		7	3,422	5,700	9,122		0	0	0	0	0	0	9,122
Manor House Flats		20	95			0	18	74	59	1,271	1,688	292		
Banders Rise		5	28			0	3	2	0	0				
Station Road East		4	27			0	6	60	355	314	62			
Dunmore Garden Land		5	39			0	31	73	445	61	51			
Clover Road Garages		11	57			0	7	101	1,071	1,588	272			
Rapleys Field		11	29			0	6	90	729	1,184	198			
Georgelands 108		4	5			0	10	72	359	46	36			
27 Broomfield		5	9			0	7	59	325	45	36			
17 Wharf Lane		4	8			0	6	57	312	44	34			
Development Projects	7,100			7,100		7,100		0	0			4,748		7,100
Schemes to promote Home-Ownership								0						
Equity Share Re-purchases	annual	0	annual	400	0	400	0	400	400	400	0	0	0	annual
Major Repairs & Improvements				20,600	6,736	27,336		27,336	0					
Retentions & minor carry forwards	annual	0	annual				0	0						annual
Modern Homes - Kitchens, Bathroons & Void refurb	annual	6,602	annual				13,137	0						annual
Doors and Windows	annual	908	annual				1,855	0						annual
Structural/Roof	annual	1,056	annual				734	0						annual
Energy efficiency: Central heating/Lighting	annual	1,948	annual				1,100	0						annual
General	annual	9,794	annual				5,903	0						annual
ICT - Housing Management System	1,900			950		950		950	950	0				1,900
Grants														
Cash Incentive Scheme	annual	0	annual	0	0	0	0	0						annual
TOTAL APPROVED SCHEMES	60,357	26,355	24,122	47,866	13,089	60,955	25,509	34,537	16,356	6,019	2,377	5,040	0	59,621

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2023-24 to 2028-29: HRA PROVISIONAL PROGRAMME

	Project Budget £000	2022-23 Actual £000	Project Spend at 31-03-23 £000	2023-24 Estimate £000	Carry Forward	2023-24 Revised Estimate	2023-24 Projected Outturn £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000	2028-29 Estimate £000	Total Project Exp £000
New Build													
Guildford Park	39,125	0	1,225	1,173	0	1,173	0	3,869	8,472	6,887	6,007	12,664	39,125
Bright Hill Development	16,500	0	0	8,680	0	8,680	0	0	0	0	0	0	0
Slyfield (25/26 £5m; 26/27 £44m)	50,000	0	0	0	1,000	1,000	0	0	5,000	44,000	0	0	49,000
Shawfield Redevelopment	3,000	0	0	500	0	500	0	0	0	0	0	0	0
Major Repairs & Improvements													
Major Repairs & Improvements	annual		annual	5,500	0	5,500	0	5,500	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual										annual
Modern Homes: Kitchens and bathrooms	annual		annual										annual
Doors and Windows	annual		annual										annual
Structural	annual		annual										annual
Energy efficiency: Central heating	annual		annual										annual
General	annual		annual										annual
Grants													
Cash Incentive Scheme	annual		annual	75		75	0	75	75	75	75	75	annual
Total Expenditure to be financed	**108,625**	**0**	**1,225**	**15,928**	**1,000**	**16,928**	**0**	**9,444**	**19,047**	**56,462**	**11,582**	**18,239**	**88,125**

Treasury management policy statement

Background

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

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

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

CIPFA requirement

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

1. The Council defines its treasury management activities are:

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

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the Council's risk implications, and any financial instruments entered into to manage these risks

3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council's requirements

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

1. The Council (i.e. full council) will receive reports on its treasury management policies, practices and objectives including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its closed, in the form prescribed in the TMPs

2. The Council delegates responsibility for the
   a. implementation and monitoring of its treasury management practices and policies to the Corporate Governance and Standards Committee and
   b. execution and administration of treasury management decisions, along with changes to the TMP's to the Chief Finance Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

3. The Council nominates the Corporate Governance and Standards Committee to be responsibility for ensuring effective scrutiny of the treasury management strategy and policies

4. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk, refinancing risk and maturity risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt

5. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned in investments remain important but are secondary considerations.

Money Market Code Principles

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

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

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

Ethics

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

Governance and Risk Management

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

Information Sharing, Confidentiality and Communications

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

Execution, Surveillance, Confirmations and Settlement

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

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Economic and Interest Rate Forecast 19th December 2023

- **UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.**
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium- term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

- **The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.**
- **The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.**
- **The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.**
- **Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.**

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Credit Rating Equivalents and Definitions

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

Fitch	Moody's	Standard & Poor's
AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in the case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	**Aaa** Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	**AAA** An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Poors.
AA Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	**Aa** Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	**AA** An obligator rated 'AA' has very strong capacity to meets its financial commitments. It differs from the highest rated obligators only to a small degree.
A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	**A** Obligations rated A are considered upper-medium grade and are subject to low credit risk.	**A** An obligator rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.
BBB Good credit quality. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.	**Baa** Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.	**BBB** An obligator rated 'BBB' has adequate capacity to meets its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligator to meet its financial commitments.

Guildford Borough Council
Flexible Use of Capital Receipts Strategy 2024/25 to 2025/26

When a capital asset is no longer needed, it may be sold to generate a capital receipt. Capital receipts are normally ringfenced to finance the capital programme such as purchasing or developing new assets or to repay debt.

On 6 February 2018 the Secretary of State issued a direction under Section 16(2)(b) of the Local Government Act 2003 and guidance under section 15(1)(a) of the Local Government Act 2003 to allow local authorities to spend capital receipts on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility. The direction has applied from the financial years 1 April 2016 to 1 April 2021 without amendment. In February 2021, the scheme was extended for financial years from 1 April 2022 to 1 April 2024, and it was announced as part of the LG Finance Settlement in December 2023 to extend the scheme further.

The set up and implementation costs of any new processes or arrangements are classified as qualifying expenditure which can apply for the flexible use of capital receipts.

Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;

- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
- Integrating public facing services across two or more public sector bodies (for example children's social care, trading standards) to generate savings or to transform service delivery.

A policy on the flexible use of capital receipts was previously approved by Council as part of the Capital and Investment strategy in February 2019 to help finance the transformation costs of the Future Guildford transformation project (should it be required), and again in November 2021 for the Collaboration costs with Waverley BC. As the Government has now extended the scheme further, we can take advantage of this flexibility to help fund transformation, service redesign costs and any costs associated with our savings programme from 2024/25.

The recommendation in this report is to request Councillors to approve the flexible use of capital receipts strategy, for the transformation costs incurred in 2024/25.

Glossary

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

Arlingclose – the Council's treasury management advisors

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

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

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

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

Bank Rate – the Bank of England base rate

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

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

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

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

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

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

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

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

CLG – Department for Communities and Local Government

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

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

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

Counterparty – the organisation the Council is investing with

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

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

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

Creditworthiness – a measure of the ability to meet debt obligations

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

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

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

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

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

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

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

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

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

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

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

Housing Grants – see Affordable Housing Grants

Illiquid – cannot be easily converted into cash

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

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

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

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

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

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

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

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

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

Money Market - the market in which institutions borrow and lend

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

- <u>Constant net asset value (CNAV)</u> 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.
- <u>Variable net asset value (VNAV)</u> refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary

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

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

Money Market Rates – interest rates on money market investments

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

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

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

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

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

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

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

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

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

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

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

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

Sovereign – the countries the Council are able to invest in

Specified Investments - Specified investments are defined as:

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

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

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

SWAP Bid – a benchmark interest rate used by institutions

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

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

Treasurynet – the Council's cash management system

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

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

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

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

Guildford Borough Council

Report to: Joint EAB
Date: 11 January 2024
Ward(s) affected: All
Report of Director: Community Wellbeing and Transformation & Governance
Author: Vicky Worsfold
Tel: 01483 444834
Email: Your email @guildford.gov.uk
Lead Councillor responsible: Julia McShane and Richard Lucas
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Email: Councillors email @guildford.gov.uk
Report Status: Open

Housing Revenue Account (HRA) Budget 2024/25

1. Executive Summary

The Council owns and manages over 5,200 Council Houses which it rents to tenants who qualify for social housing or for which it holds the freehold. The Housing Revenue Account (HRA) is the ring-fenced account within which the Council records the income and expenditure for its operations as landlord to its residents and for the day-to-day management, repairs and maintenance of the council housing stock. This report outlines the proposed Housing Revenue Account (HRA) budget for 2024/25, which has been built on the estimates and assumptions in the updated 2023 HRA Business Plan. The Business Plan has been reviewed to reflect changes in relevant legislation and guidance, along with consideration of the Council's declaration of a Climate Emergency and the ongoing challenges of the wider operating environment.

The Direction on the Rent Standard 2019 required the Regulator of Social Housing to set a rent standard for social housing which came into effect from 2020, which would have been CPI +1% from the preceding September rate, this equates to 7.7% and is the recommended rent increase for the year. This rate is to also apply to those in Shared ownership.

A 5% increase in garage rents is proposed which is in line with the wider Council policy on fees and charges.

The report includes overall details of the proposed investment programme for the properties that are managed within the HRA, additional details of this work are set out within the Capital and Investment Strategy which is to be considered separately on this agenda.

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

The 30-year business plan, presented to committee as part of the budget papers in January 2023 shows that there are sufficient resources within the HRA to carry out the Council's investment plans as well as repay the debt over the 30-year business plan period and still leave a healthy reserve balance at the end of the 30 years for further investment not yet identified. There are further expected investment needs that are to be fully developed in order to meet carbon targets and expected regulatory changes, and work on these continues and they are not currently fully reflected within the current plan, but they will be considered in future reviews.

2. Recommendation to Executive

The Executive is asked to consider this report and to recommend to Council, meeting on 7 February 2024, that:

2.1. the proposed HRA revenue budget for 2024/25, as set out in **Appendix 1** to this report be approved.

2.2. That a rent increase of 7.7%, be implemented.

2.3. That the fees and charges for HRA services for 2024/25, as set out in **Appendix 2** to this report, be approved.

2.4. That a 5% increase be applied to garage rents which is in line with the wider Council policy on fees and charges.

3. Reason(s) for Recommendation:

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

4. Exemption from publication

4.1. None.

5. Purpose of Report

5.1. This report provides a position statement on the 2024/25 draft budget and makes recommendations to the Council on the Housing Revenue Account (HRA) revenue budget. Details of the HRA capital programme are set out within the Capital and Investment Strategy, which is to be considered separately on this agenda.

6. Strategic Priorities

6.1. The HRA Budget reflects the Council's vision, as set out within the 2021-2025 Corporate Plan, to support residents to have access to the homes and jobs they need by providing and facilitating housing that people can afford, helping to protect our environment and empowering communities and supporting people who need help.

7. Background

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

Budget and Business Plan Priorities

7.2. The budget and Business Plan have been prepared having consideration to 4 main themes:

- A safe place to live – Investment in our housing stock to meet and exceed fire and building safety standards including new fire detection and protection works, upgrading and replacing electrical installations, new fire doors, replacing lifts,

- Environmental and Energy Efficiency – Improving energy efficiency with new doors, windows, insultation, heating and hot water systems. Rolling out a programme of environmental improvements to our estates and communities including landscaping, parking with increased inspection and investment,

- Availability and suitability – Proving a range of housing that helps meet the needs of the community, including supported and sheltered housing, additional homes through regeneration, purchase and development,

- Customer Service and Accessibility – Improving choices, information and communication with residents, with enhanced contact handling, monitoring and feedback. Targeted support for vulnerable tenants, specifically those struggling with maintaining their tenancies, hoarding, debt and benefits. Expanding opportunities for residents to influence and be involved in services through widening opportunities for feedback and engagement for more tenants.

7.3. These priorities have been developed having consideration to the Governments White paper, changes in the regulatory and legal framework within which the service operates, and the Council's overall objectives.

The HRA Business Plan

7.4. The objective of the Business Plan is to optimise HRA resources to ensure quality, suitable accommodation for residents, stock growth and to transfer surpluses to the various reserves for future investment in pursuance of its business. It is not limited to management of the housing stock, but also wider issues such as community development and improving the environment.

7.5. The Business Plan not only concentrates on the financial related strategy and objectives, but also the service priorities of the Council's

Landlord function to its tenants and leaseholders. The longer-term perspective is crucial to ensure that the service and its primary assets, the housing stock, are fit for purpose for the whole period of the plan and beyond.

7.6. The Plan is based on stock condition data and the regulatory framework in which the council operates as a social landlord. It also considers the Governments white paper “The Charter for Social Housing Residents” which sets out key areas of service and involvement that every social housing tenant should expect.

7.7. The proposed changes will strengthen existing services and will support the Council in improving the safety and quality of our homes, improve local communities and to create increased opportunities for residents to become involved. It also looks to enhance the communal areas, open and green spaces within the estate.

7.8. The Council has declared a Climate Emergency and it is essential that we continue to develop and improve our housing and services to meet the targets that the Council has set, and this budget builds on existing work by increasing investment to increase energy efficiency whilst also looking to reduce carbon emissions.

Potential pressures

7.9. Nationally since the self-financing arrangements were established the economic and fiscal environment has been generally favourable to the HRA. This has however changed dramatically with the combined impact of the Pandemic, the war in Ukraine, increases in energy costs, increasing safety requirements, the current cost of living crisis, the increased levels of inflation, coupled with increased inflation rates. Together these and other factors have created unprecedented pressures, risks and uncertainty that impact upon the Councils ability to undertake medium term financial planning, particularly when the planning horizon for the HRA Business Plan is 30 years.

7.10. These factors combined with the Councils continued aspirations for its housing stock and its management have been taken into consideration when setting the HRA Budget 2024/25 and the HRA Business Plan.

7.11. The council does not operate as a commercial landlord with clear obligations and duties as a social landlord, this means that many of our residents are supported by other agencies and organisations. As a result of this wider pressures on social and healthcare services mean that residents are experiencing challenges in accessing services, and some provision has become difficult to access. As a result, the complexity and cost of managing tenancies and providing services is seeing continued pressure as we are forced to deal with situations we are less well equipped to manage.

7.12. The economic situation continues to have an impact and despite government support, there is an increased demand for social housing, which puts pressure on our limited resources and time in responding to this new demand.

7.13. Following the tragic events at Grenfell, the Government has rightly continued to focus on the health and safety of residents and has introduced new legislation and guidance in a range of areas. To ensure compliance with new legislation and guidance the Council is undertaking its widest ranging programme of works to improve the health and safety of residents that will exceed current statutory requirements. To achieve this will require a continued investment in the capital programme for major works to the existing stock, with work covering fire safety and precautions delivered in partnership with Surrey Fire and Rescue.

7.14. The funding framework available to meet the cost of supported housing remains fragile. In 2023/24 we received just £207,761 in Supporting People Grant funding.

7.15. The Councils duties to provide support and assistance with housing to residents is resulting in an ongoing rise in the number of households at risk. Many of those at greatest risk, not only have housing issues but also have a range of complex needs. Together they are placing greater demands on the Housing Service that in turn flows through to the teams managing our properties and their residents.

7.16. The wider social housing sector continues to become increasingly commercial. Some housing associations are focusing on minimising risk by being selective as to who they house, and they are also moving to rents that are higher than those charged by the Council despite their large portfolio of properties. The Council is fortunate to have retained its stock, which gives us greater flexibility in helping those in housing need. It does, however, create a cost pressure.

7.17. Shared ownership properties enable residents to join the home ownership ladder, but for some the reality is that they are unable to staircase (acquire further equity shares) or move to a larger property as their household grows. Expanding this stock is not currently a priority for the Business Plan; however, this will be revisited when the opportunity arises to develop larger sites. In such cases, shared ownership in most cases will contribute to the overall viability of large developments and does assist many households in meeting their housing need.

7.18. The estimates, consistent with the Business Plan, continue to attach a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement, reflecting the Council's determination to provide new additional affordable homes and increase the investment in housing stock.

7.19. The last few years have presented unique challenges for managing our housing stock and as a result we have been unable to undertake all of the work that we would have expected to the homes we manage. This budget continues with the work started last year to help redress that issue.

8. 2024/25 revenue and capital programme budget

8.1. The 2024/25 budgets have been prepared having regard to the recent policy announcements and the impact they might have. At the same time, we are conscious of various cost pressures along with the implications of our debt financing profile.

8.2. The Capital and Investment Strategy (separate item on the agenda) sets out the approved and provisional HRA capital programme along with a financing strategy (HRA Resources). The programme reflects the latest information we have on the condition of the stock and the developing asset management framework for our housing stock.

8.3. In preparing the HRA revenue budget, officers continue strategies undertaken in previous years to ensure we provide value for money for our residents. In particular:

- We will continue to evaluate all staff posts that fall vacant to determine whether it is appropriate to recruit to the role or whether an alternative approach could be considered,
- Increasing use of IT, remote working, and virtual meetings continues where appropriate, and are delivering benefits for the service,
- The Allpay system and mobile payment App has being useful, particularly with remote working, in our drive for rent collection,
- Rent collection analytics technology has helped colleagues focus and manage rent collection,
- Introduction of new technologies such as Salesforce and the Choice Based lettings system as part of our Future Guildford Programme continues to deliver service efficiencies and benefits to tenants,
- As part of the ICT and Digital change programme for the Council, officers will look to upgrade or replace systems that deal with housing and asset management over the medium-term period.

Budget assumptions

8.4. The total HRA debt stands at £167 million. It is projected that the interest charge for 2024/25 will be £5.35 million. No provision is included in the budget for the repayment of debt during 2024/25 in line with the overall HRA business plan strategy that building homes rather than debt repayment is the priority.

8.5. The revenue budget for 2024/25 is predicated around a number of key assumptions. The most important of which are set out in the table below.

Item	Assumption
Opening stock - Units of Accommodation	5,243
HRA external borrowing	£157 million
September CPI %	6.7%
Recommended Rent increase CPI + 1%	7.7%
Actual Rent Increase + 1%	7.7%
Garage income increase	5.0%
Bad debt provision 2024-25 2%	£693,077
Void / empty homes rate	4.7%
Service charge increases	Linked to contractual arrangement with suppliers
Housing units lost through Right to Buy (RTB)	25 per annum
Retained receipts	Held in reserves
HRA ring fence	Policy of strong ring fence continues
Debt repayment	No provision made for the repayment of debt
Operating balance	£2.5 million

8.6. The proposed budget set out in Appendix 1 is based on a 52-week rent year.

8.7. Rents will increase by 7.7%, which is in line with the government guidance in 2024/25.

Summary of Revenue Account Budget 2024/25

8.8. The table below summarises the proposed 2024/25 revenue budget, which reflects our current Treasury Management Strategy – in effect an interest only mortgage rather than a repayment mortgage. The timing of debt repayment will largely be a treasury management decision aligned to the overarching objectives of the HRA Business Plan.

Gross Expenditure alternatively analysed as:	**£'000**	
Direct cost of managing and maintaining the stock	15,729	51%
Depreciation	6,500	21%
Other	3,375	11%
Interest payable	5,359	17%
Transfer to reserves (surplus)	7,816	
Total expenditure	**38,779**	
Received from:	**£'000**	
Council house rents	34,840	90%
Interest receivable	606	2%
Other rent income	1,352	3%
Fees, charges and miscellaneous income	1,981	5%
Total income	**38,779**	

8.9. Based on the assumptions as contained in paragraph 8.5 and as summarised in the table above it is estimated that the HRA will have an operating surplus of £7.816 million for 2024/25 which is reflected in the tables above by the proposed transfer to reserves. The reserves will be used to fund the capital programme for major repairs and investment in existing stock as well as the development of new build housing.

8.10. Spend on managing and maintaining the stock equates to 51% of the expenditure incurred in the HRA, 21% depreciation which is put aside for future works to properties and 17% for interest costs.

Expenditure

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

General Management

8.12. Budgeted expenditure on delivering continuing HRA services has increased on the previous year’s budget, reflecting growth in services in response to the Government’s Housing White paper and changes in the regulatory and legal framework. A number of key areas and initiatives have been identified such as:

- Increased support for vulnerable tenants to help maintain their tenancies and to co-ordinate the service’s safeguarding role for those households at risk,

- Increased support to work with tenants and partners in dealing with and preventing increasingly complex anti-social and criminal behaviour,

- Increased support for the number of households who continue to move to Universal Credit and to support tenants to avoid rent arrears whilst increasing rent collection, including Discretionary Housing Benefit top up,

- Broaden opportunities for resident engagement and involvement,

- Increase in capacity to ensure compliance with evolving regulatory and compliance framework,
- Improving choices, information, and communication with residents, with enhanced contact handling, monitoring and feedback,
- Expanded building safety and compliance roles to meet current and planned legislative and regulatory changes,
- Improve estate management with improvements to landscaping, paved and communal areas,
- Increase in capacity to deliver both additional housing and also the redevelopment of existing properties.

8.13. **Repairs and maintenance:** This budget covers a wide range of work including minor adaptations, day to day repairs across all housing types along with cyclical works.

8.14. **Interest payable:** The whole portfolio is at a fixed rate from PWLB, with varying maturity dates. The table below sets out our current loan portfolio with a bullet payment option or renegotiate at the end of their various terms. The total differs by the assumption as there is £10 million maturing in March where it hasn't been decided if it will be rolled over or not as yet.

Maturity timeframe	Principal amount	Proportion
Less than 10 years	£110,000,000	66%
10-15 years	£25,000,000	15%
15-20 years	£32,435,000	19%
Total	£167,435,000	100%

Depreciation:

8.15. To safeguard future rental streams, we need to ensure our properties and assets are adequately maintained. This will involve the replacement of ageing components at the appropriate time. In order to do so, it is important that we set aside adequate funds each year to meet future liabilities.

8.16. The depreciation charge is one of the key mechanisms we use to do this. The proposed 2024/25 charge represents, in officers' view, a realistic amount having regard to the outcome of the stock condition survey. A charge of £6.5 million is considered both appropriate and affordable.

Income

8.17. The Secretary of State made a Direction on 25 February 2019 under powers set out within section 197 of the Housing and Regeneration Act 2008 which required the regulator of Social Housing to set a new Rent Standard for social housing including that owned and managed by local authorities with effect from 1 April 2020.

8.18. This framework meant that as a landlord the Council would be able to increase rents by CPI +1 and the Business Plan was developed having reference to this. The increase for 2024/25 is therefore 7.7%.

8.19. For those in shared the is the Council is proposing to increase by 7.7% in line with the general needs rent.

8.20. Currently just over 60% of Council tenants are in receipt of either Housing Benefit or Universal Credit the majority will have their rent covered in full by these benefits, whilst just under 40% may have had their income assessed and will not be eligible for any assistance as their income will have been considered sufficient to be able to meet their housing costs. For those eligible the proposed increase will have the additional cost covered by their benefits.

8.21. c92% of tenants are on social rents and the average expected change to their weekly rent on average will be £9.57. Based on the proposed

7.7% rent increase this will give an estimated income of £34.4 million for the coming year.

8.22. Arrears levels for Council housing are generally low with about 1% in arrears which is well below levels in most social housing. This would indicate that for most households their rents remain affordable. The majority of arrears cases are associated with households who have moved to Universal Credit, and they make up more than 65% of arrears although again in most instances these arrears are at relatively low levels of arrears with just 15 accounts with arrears in excess of £2,000.

8.23. A provision for bad debt charge of £693,077 is included in the estimates. This charge will remain under review, but it is considered appropriate - it represents 2% of the annual tenanted income.

Right to Buy

8.24. RTB activity remained steady during 2023/24, and the Council has in place a formal agreement with the Government regarding the use of the capital receipts arising from the sale of Right to Buy properties.

8.25. The table below outlines activity as at December 2023:

Activity	Number
Properties sold since 1 April 2023	16
Applications being processed	30

8.26. Under the agreement receipts will be accounted for annually rather than quarterly and the Council is able to fund up to 40% of additional social housing from the receipts. The time limit for using the funds is now 5 years. However, going forward a limit has been introduced for buying existing properties on the open market and this is being phased in over a 3-year period. Whilst up to 40% of the cost of a development can be financed from this source - we must finance the balance from capital receipts or other sources including reserves accruing from the appropriation of revenue account surpluses. Our current development plan fully commits the one-for-one retained receipts we have accumulated to date. The ambition remains to utilise the receipts we are anticipating in future years.

8.27. On current levels of activity, we project a loss of units to be in the region of 15-25 units per year. Our new build and property acquisition programme is helping mitigate the impact of the ongoing right-to-buy programme, but it is unfortunate there are, to date no proposals to amend the scheme in order to prevent the ongoing loss of much needed social housing in the area.

8.28. Sales has three negative impacts. It:

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

HRA capital programme and reserves

8.29. Full details of the Capital Programme are set out within the Council's Capital and Investment Strategy which is to be considered separately on this agenda. This strategy and the Business Plan are based around four strands which are:

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

8.30. Key issues that have been considered as part of the overall development of the budget have included changing wider economic position, continuing to work through the impact of Covid and the suspension of capital programmes etc. In order to continue to meet targets for these planned programmes we continue with the catch-up work which was started in the last financial year in order to ensure we remain on track with maintaining existing homes.

8.31. In addition to these areas and with additional background and detail being provided within the Capital and Investment Strategy we continue to invest in properties to ensuring the safety of residents and this approach is now being influenced by the new and developing fire and building safety legislation, guidance, and good practice.

8.32. The Council has developed its approach to ensure ongoing compliance with the changing requirements and relevant standards and all Fire Risk Assessments have been reviewed and the new work plan that has resulted from this will continue to be delivered through this programme. The risk assessments reflect both changing legislation and good practice that has developed and continues to develop over the last few years.

8.33. This investment represents the Councils continued commitment to ensure that the homes that the Council manages meet not only the legislative requirements but also reflect good practice in ensuring the health and safety of residents.

8.34. The Council continues with its programme of delivering additional affordable homes with full details of the proposed programme again set out within the Capital and Investment Strategy.

8.35. Our investment in improving the energy efficiency of properties continues with new heating systems, low energy lighting, insulation and new door and windows. Whilst provision has been included to improve the energy efficiency new technology continues to be developed, in many instances the cost of this technology remains high although it is reducing.

8.36. In order to reduce carbon emissions and improve energy efficiency work is underway to develop a programme of work that will allow the Council to move towards to meeting its targets in coming years but also having consideration to expected predicted cost and the availability of suitable technology. Once completed this work will then be integrated into the future HRA Business Plan. This is however a complex and challenging area, and there is no one size fits all, national research by the Building Research Establishment estimates that it will cost between £3,000 and £70,000 to make a property zero carbon, with an average of more than £20,000 needed for each property. Whilst some provision has been made within the plan the way in which targets will be meet and the cost of this work has yet to be established. In addition to which there is a need to consider the impact of such a wide-ranging plan on residents.

8.37. The funding sources that will enable us to deliver the expanded capital programme are as follows:

- HRA rental stream,
- Capital receipts generated from the disposal of HRA assets including land and right to buy sales,
- HRA reserves,
- HRA borrowing.

8.38. The HRA has built up significant revenue reserves and, at 31 March 2024, are estimated to be in the region of £71 million. These can be used for specific HRA related purposes. It is proposed that these reserves are set aside to support the major repairs and improvements and new build programme as set out within the Capital and Investment Strategy and also in anticipation of future requirements. The HRA also has usable capital receipts, generated from the sale of HRA land and housing assets.

8.39. The table below shows the available reserves that can support the HRA Business Plan. The contribution into the reserve for future capital programmes is maintained.

Year ended	Future capital	Major repairs	New build	Total reserves	Capital receipts	141	Debt	Total capital receipts	Total resources
2022/23	32,609	6,426	66,068	105,103	0	6,182	5,859	12,041	117,144
2023/24	18,775	0	69,632	88,407	300	7,638	6,004	13,942	102,349
2024/25	20,325	0	66,690	87,015	156	2,870	6,856	9,882	96,897

8.40. The business plan is most sensitive to the following assumptions:

- income trends
- legislative changes
- inflation rates
- cost of debt
- capital investment
- right-to-buy sales
- Covid-19

8.41. The current development programme can be financed, and debt repaid over the course of the 30-year Business Plan. At the end of the 30-year period the plan shows there will still be substantial reserves available for further investment and also to support the Councils net zero target and new build on plans which have yet to be developed. The ability to identify further plans will be reliant on the availability of land to be released for such purposes under the provisions of the Local Plan.

8.42. Right to buy receipts are being applied to current and proposed new build schemes to minimise the risk of repayment of such receipts. This will enable the retention of future one-for-one receipts, with a reduced risk of repayment, pending the identification of new sites[1].

[1] The Council has entered into an agreement with the Secretary of State whereby it is allowed to retain an element of the
capital receipts that it receives from Right to Buy sales. Under the terms of the agreement these receipts must be used to finance up to 40% of the cost of replacement

8.43. A combination of usable one-for-one receipts, and the new build reserve will be used to fund a number of schemes on the approved capital programme. Where appropriate, investment will be supplemented by appropriate borrowing.

Development Projects

8.44. An update of our current development projects shall be provided during the year.

Existing housing stock

8.45. Based on an analysis of our stock condition data, as outlined above and within the Capital and Investment Strategy the budget reflects the proposed investment programme.

Robustness of the Budget and Adequacy of Reserves

8.46. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the budget and adequacy of the proposed financial reserves.

8.47. Paragraph 7.2 above details the assumptions used in the preparation of the 2024/25 budget.

8.48. Staffing costs have been included based on the Full Time Equivalents (FTEs) included in the approved establishment of 77.5.

8.49. Throughout the budget process, the Corporate Management Board, the Leader and relevant lead councillors have been involved in what is considered to be a deliverable budget.

8.50. A prudent assessment of income has been made and only income that has a high level of certainty of being received is included within the budget. The 2024/25 budget includes a bad debt provision of £693,077. This provision reflects the economic climate and continuing

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social housing within five years, otherwise the retained receipts must be repaid to the Department for Levelling Up, Housing and Communities with interest.

welfare reform changes. The level of operating balance remains unchanged at £2.5 million.

8.51. Service level risk assessments have been undertaken for both existing major areas of the budget and mitigating actions have been taken and monitored in the course of the year.

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

8.53. The housing related reserves are adequately funded and are projected to be around £76 million as at April 2024. The HRA reserves shall be engaged on value adding expenditure to maintain earnings growth and business stability.

9. Consultations

9.1. The Council remains committed to working cooperatively with Council tenants and leaseholders to shape, strengthen and improve council housing services and sets out a range of options to enable housing customers to be involved.

9.2. All tenants will be notified of changes to their rent and service charges in February/March 2024.

10. Key Risks

10.1. These have been detailed above throughout the report.

11. Financial Implications

11.1. These have been detailed above throughout the report.

12. Legal Implications

12.1. The HRA is a separate account that all local authorities with housing stock are required to maintain. This account contains all transactions relating to local authority owned housing. The Local Government and

Housing Act 1989 prohibits the Council operating its HRA at a deficit. The proposed balanced budget meets this obligation.

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

13. Human Resource Implications

13.1. The decision to review and where necessary to freeze or delete vacant posts is outlined within the report and where appropriate additional roles are set out within the report and all relevant decisions and actions will be undertaken in line with the appropriate Council HR policies and procedures.

14. Equality and Diversity Implications

14.1. None

15. Climate Change/Sustainability Implications

15.1. Whilst there are no direct implications as a result of this report, the expenditure on both the revenue and capital programmes could have implications.

16. Executive Advisory Board comments

16.1. There were no further comments to this report arising from the Joint EAB meeting held on 11 January 2024.

17. Summary of Options

17.1. Government guidance is to increase rents by CPI+1% which equates to 7.7% for 2024/25. Officers are proposing to increase rents by this maximum allowed amount. Any reaction would impact the amount that can be invested in the stock in future.

17.2. Garage rents are assumed to increase in line with the rest of the Council’s fees and charges at 5%.

18. Conclusion

18.1. The HRA is expected to make a smaller surplus than in previous years, but still healthy, at £7.8 million to continue to invest in the existing and new stock in future years, taking into account a rent increase of 7.7% (CPI+1%) and 5% on garages.

19. Background Papers

19.1. 2023/24 HRA budget report

20. Appendices

20.1. Appendix 1: HRA budget summary

20.2. Appendix 2: Fees and Charges for 2024/25

HOUSING REVENUE ACCOUNT 2024-25 - BUDGET SUMMARY

2021-22 Actual £	2022-23 Actual £	Analysis	2023-24 Budget £	2023-24 Outturn £	2024-25 Budget £
		Borough Housing Services			
431,546	407,429	Income Collection	677,841	556,425	564,609
1,244,466	1,736,797	Tenants Services	2,390,850	2,414,135	2,530,190
67,476	56,430	Tenant Participation	171,820	46,515	103,727
79,189	84,393	Garage Management	104,797	43,241	43,262
18,966	65,572	Elderly Persons Dwellings	48,921	56,634	56,620
199,554	727,770	Flats Communal Services	502,274	435,464	452,755
393,447	441,066	Environmental Works to Estates	457,768	210,658	235,660
5,530,155	8,268,621	Responsive & Planned Maintenance	6,684,239	8,084,486	8,145,844
55,203	56,217	SOCH & Equity Share Administration	170,376	137,348	174,564
8,020,003	**11,844,295**		**11,208,886**	**11,984,906**	**12,307,231**
		Strategic Housing Services			
577,389	553,300	Advice, Registers & Tenant Selection	765,223	745,569	659,850
129,916	129,314	Void Property Management & Lettings	250,661	225,230	165,997
0	0	Homelessness Hostels	5,383	0	0
159,055	491,451	Supported Housing Management	172,513	652,800	700,201
342,194	389,122	Strategic Support to the HRA	625,443	803,730	637,967
1,208,553	**1,563,188**		**1,819,223**	**2,427,329**	**2,164,016**
		Community Services			
777,493	1,346,084	Sheltered Housing	852,211	1,171,528	1,256,844
5,864,693	6,426,918	Depreciation	5,864,700	6,500,000	6,500,000
227,460	164,562	Debt Management	158,711	5,000	5,000
1,012,234	1,012,970	Other Items	1,857,527	1,431,831	1,857,550
17,110,437	**22,358,017**	**Total Expenditure**	**21,761,258**	**23,520,594**	**24,090,641**
(33,770,256)	(34,331,118)	Income	(36,654,316)	(37,161,033)	(38,173,474)
(16,659,819)	**(11,973,101)**	**Net Cost of Services(per inc & exp a/c)**	**(14,893,058)**	**(13,640,438)**	**(14,082,832)**
297,990	110,510	HRA Share of CDC	1,437,930	1,437,930	1,437,930
(16,361,829)	**(11,862,591)**	**Net Cost of HRA Services**	**(13,455,128)**	**(12,202,508)**	**(12,644,902)**
(105,900)	(1,106,929)	Investment Income	(1,593,180)	(1,936,479)	(605,570)
4,879,544	4,799,307	Interest Payable	4,751,225	5,035,839	5,359,000
(11,588,186)	**(8,170,212)**	**Deficit for Year on HRA Services**	**(10,297,083)**	**(9,103,148)**	**(7,891,472)**
(136,260)	(118,077)	Tfr (from)/to CAA re: REFCUS	75,000	75,000	75,000
2,500,000	2,500,000	Contrib to (Use of) RFFC	2,500,000	2,500,000	2,500,000
8,610,880	5,548,936	Contrib to/(Use of) New Build Reserve	7,722,083	6,528,148	5,316,472
(510,826)	(397,814)	Tfr (from)/to Pension Reserve	0	0	0
(26,824)	(14,722)	Tfr (from)/to Intangible Assets	0	0	0
1,154,479	648,720	Tfr (from)/to CAA re: Revaluation	0	0	0
(3,263)	3,169	Tfr (from)/to CAA re: Rev. Inc from Sale of Asset	0	0	0
(0)	**0**	**HRA Balance**	**0**	**(0)**	**(0)**
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
(2,500,000)	**(2,500,000)**	**Balance Carried Forward**	**(2,500,000)**	**(2,500,000)**	**(2,500,000)**

2021-22 Actual £	2022-23 Actual £	Analysis	2023-24 Budget £	2023-24 Outturn £	2024-25 Budget £
		Borough Housing Services			
(31,250,805)	(31,778,074)	Rent Income - Dwellings	(33,057,124)	(33,861,600)	(34,840,420)
(270,185)	177,433	Rent Income - Rosebery Hsg Assoc.	(73,324)	(53,000)	(53,000)
(462,651)	(331,083)	Rents - Shops, Buildings etc	(505,138)	(400,000)	(400,000)
(711,642)	(698,550)	Rents - Garages	(793,388)	(675,000)	(899,174)
(32,695,283)	**(32,630,274)**	**Total Rent Income**	**(34,428,974)**	**(34,989,600)**	**(36,192,594)**
(104,859)	(177,111)	Supporting People Grant	(224,237)	(207,761)	(300,000)
(1,051,985)	(1,086,043)	Service Charges	(1,224,421)	(1,215,000)	(1,215,000)
(2,596)	(12,446)	Legal Fees Recovered	50	(3,000)	(3,000)
665,173	(875)	Service Charges Recovered	(277,256)	(434,480)	(431,710)
(580,706)	(424,370)	Miscellaneous Income	(499,478)	(311,192)	(31,170)
(33,770,256)	**(34,331,118)**	**Total Income**	**(36,654,316)**	**(37,161,033)**	**(38,173,474)**

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Appendix 2

Housing Revenue Account - Fees and Charges 2024-2025

		2023-24 £ From 1 April 2023	Change %	2024-25 £ From 1 April 2024	Change %
To be approved by Council					
Sheltered Units					
Function Room Hire					
Voluntary /Charity Organisations (per hour)		16.11	3.0%	17.00	5.5%
Voluntary /Charity Organisations (per day)		79.94	3.0%	84.00	5.1%
Education/Social Services (per hour)		19.12	3.0%	21.00	9.9%
Education/Social Services (per day)		119.33	3.0%	126.00	5.6%
Social/Private Hire (per hour)		24.04	3.0%	26.00	8.2%
Social/Private Hire (per day)		128.31	3.0%	135.00	5.2%
Service charge (per week):					
Dray Court	*Based on Actuals*	70.27	3.0%	78.05	11.1%
Japonica Court	*Based on Actuals*	80.49	3.0%	88.26	9.7%
St Martha's Court	*Based on Actuals*	73.86	3.0%	80.31	8.7%
Millmead Court	*Based on Actuals*	66.81	3.0%	73.50	10.0%
St Martin's Court	*Based on Actuals*	77.68	3.0%	102.18	31.5%
Tarragon Court	*Based on Actuals*	69.03	3.0%	76.91	11.4%
Friary House (61 flats)					
Heating, Electricity, Cleaning, Caretaking and Security Services (per week)	*Based on Actuals*	17.00		26.89	58.2%
Garages (on Housing Estates) (*VAT is applied at the standard rate on private lets only)*					
High demand area (non residents) (per week)		22.13	3.0%	23.24	5.0%
High demand area (per week)		13.46	3.0%	14.13	5.0%
Elsewhere (per week)		11.06	3.0%	11.61	5.0%
Castle Cliffe					
Gas and Electricity Charges (per week)	*Based on Actuals*	26.06		39.47	51.5%
Malthouse Court					
Gas and Electricity Charges (per week)	*Based on Actuals*	14.71		28.44	93.3%
Pound Court					
Electricity; Grounds Maintenance (per week)	*Based on Actuals*	4.45		4.83	8.5%
Flats					
Where cleaning provided to communal areas;					
Sandmore (Laundry and Communal Facilities, per week)		5.02	3.0%	8.65	72.4%
Decorating charge *(Note: charge is per room)* (per week)		1.84	3.0%	1.90	3.1%
Supported Housing					
Service charge per week:					
William Swayne House:	*Based on Actuals*				
- Self Contained bedsits	*Based on Actuals*	130.76	3.0%	142.46	8.9%
- Self Contained flat	*Based on Actuals*	133.49	3.0%	144.54	8.3%
William Swayne Place	*Based on Actuals*	49.66	3.0%	51.15	3.0%
Dene Road	*Based on Actuals*	82.26	3.0%	85.54	4.0%
79 York Road	*Based on Actuals*	49.49	3.0%	51.05	3.2%
Caxtons	*Based on Actuals*	65.88	3.0%	72.95	10.7%
Dene Court	*Based on Actuals*	91.39	3.0%	94.13	3.0%
Sold Flats Service Charges - Solicitors' Enquiry					
Sales/purchases		160.41	3.0%	169.00	5.4%
Remortgages		82.49	3.0%	87.00	5.5%
Sold Flats Service Charge Management Fee		209.77	3.0%	221.00	5.4%
Consent Fees					
Consent - Application in Advance		124.57	3.0%	130.80	5.0%
Consent - Retrospective Application		212.71	3.0%	223.34	5.0%

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Guildford Borough Council

Report to: Executive
Date: 25 January 2024
Ward(s) affected: All
Report of Director: Ian Doyle, Transformation and Governance
Author: Richard Bates, Executive Head of Finance, S151 Officer
Tel: 01483 444026
Email: Richard.Bates@guildford.gov.uk
Lead Councillor responsible: Richard Lucas (Finance and Property), Julia McShane (Leader)
Email: Richard.lucas@guildford.gov.uk
Report Status: Open

General Fund Revenue Budget 2024-25 and Medium-Term Financial Plan 2024-25 to 2026-27

1. Executive Summary

1.1. This report sets out the draft General Fund Budget for 2024/25 and Medium-Term Financial Plan (MTFP) ending 2026/27.

1.2. The work on the 2024-25 budget and the £18.3m MTFP gap has been undertaken as part of the Financial Recovery Plan agreed in August 2023.

1.3. The outputs from the various workstreams of the Financial Recovery Plan are set out within the report and have reduced the budget gap by £15.9m.

1.4. The MTFP sets out the key work streams for the Council to focus on over this period which, collectively, aim to address the remaining £2.4m budget gap across the MTFP period, and prepare for future capital financing costs and funding risks.

1.5. Significant progress has been made since the report to Council in July 2023, but the agreed savings plans need to be delivered and the remaining budget gap needs to be addressed.

1.6. Strengthened financial reporting and processes need to be embedded in the Council and foundations of a financially resilient council.

2. Recommendation to Executive

The Executive is asked to recommend the following to Council (at its Budget Meeting on 7 February 2024):

(1) That the General Fund Budget for 2024/25 as summarised in Appendix 1, incorporating the budget variations included at Appendix 2, be approved.

(2) That a 2.99% increase in Guildford Council's Band D Council Tax Charge for 2024/25, be approved with resultant increases to the other council tax bands.

(3) That the Council's existing Local Council Tax Support Scheme, with uprating as set out in Appendix 6 and the £40,000 discretionary hardship fund that runs alongside it, be continued.

(4) That, from 1 April 2025, the Council varies its determination of 26 February 2019 under Section 11B of the Local Government Finance Act 1992, so that the long-term empty dwelling levy starts after a property has been empty and unfurnished for one year.

(5) That, from 1 April 2025, the Council will charge a premium (levy) of 100% on periodically used dwellings as defined by section 11C of the Local Government Finance Act 1992.

(6) That the schedule of Fees and Charges, as set out in Appendix 3 to this report, be approved.

(7) That the use of the 2023-24 underspend as set out in paragraph 8.5 of this report, be approved.

3. Reasons for Recommendation:

3.1. The General Fund Budget is a major decision for the Council and setting a balanced budget is a statutory requirement.

3.2. Scrutiny of these MTFP and Budget proposals demonstrate transparency and good governance.

3.3. The Council has been well positioned to respond to these challenges and whilst the latest MTFP for the subsequent years ending 2026/27 continues to project future financial pressures, and opportunities, the Council is able to take action to ensure sufficient funding is in place to deliver and maintain services.

4. Exemption from publication

4.1. No part of this report is exempt from publication.

5. Purpose of Report

5.1. The Medium-Term Financial Plan (MTFP) is the Council's key financial planning document which takes account of all the various currently known factors and influences that may impact on the Council's General Fund for the forthcoming financial years up to and including 2027/28. These factors are both within and beyond the Council's control and include general macro-economic conditions, Government funding plans and restrictions, current expenditure patterns, inflation, planned changes to service delivery, changing demand for services, and changes affecting our sources of independent income etc.

5.2. The MTFP also includes the identification of the risks that the Council has identified that it faces. These are set out in the S151 Officer's Section 25 report in Appendix 4.

5.3. The MTFP looks forward over the next three years to anticipate the spending pressures faced by the Council. In light of the changing economic picture, planning now to meet expected and known changes in the future provides greater opportunity to mitigate the impact.

6. Strategic Priorities

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

7. Background

7.1. The Council agreed the 2023-24 budget in February 2023 with a £3.1m shortfall requiring further work to remove this gap, with the fallback position being the deployment of usable reserves.

7.2. An updated MTFP position was presented to the Council in July 2023 which set out the key issues and the position in which the Council was now left. In summary this was:

- a remaining in-year deficit of £1.7m and a budget gap of £18.3m over the MTFP period to 2026-27.
- Usable reserves reduced from around £30m to £8.4m due to several accounting errors identified during the audit process.
- A further report to be issued to Council in October 2023 with a decision on whether it would be necessary to issue a s114 notice.

7.3. With this revised position, further use of reserves to balance the in-year position was deemed to be unacceptable and a Financial Recovery Plan was presented to Council in late August which set out:

- Immediate measures to bring the current year budget back into balance.
- The establishment of 8 workstreams to deal with the budget deficit over the MTFP period.
- The establishment of a Financial Services Workstream to review all financial processes, policies, and procedures, to strengthen the team, re-establish a business partnering approach and provide robust budget monitoring across the Council, tailored to the different audiences.

8. Current-year (2023-24) Update

8.1. The Financial Recovery Plan introduced two immediate key actions, firstly a recruitment freeze, with all vacant posts frozen and secondly a moratorium on non-essential expenditure. For both actions, a process was established to allow for exceptions to be reviewed by the Financial Control Panel, for example where Health and Safety concerns were raised, or serious service impact was identified.

8.2. Budget monitoring was established from Period 4 onwards and this allowed all budgets to be reviewed and potential in-year savings identified.

8.3. By Period 6, sufficient plans were in place to balance the in-year position and, in the report to Council in October 2023, the interim s151 officer concluded that sufficient progress had been made to avoid the need for a s114 report to be issued but that significant work was still required to produce a balanced budget for 2024-25 and beyond.

8.4. Work has continued since then, with budget monitoring improved and expanded each month, and the current position shows a projected year-end underspend of around £1m.

8.5. The underspend will be used to meet several one-off pressures in 2024-25 which are set below:

- Revenue costs for Shaping Guildford’s Future project: £200k
- Health and Safety improvements at Woking Rd Depot: £25k
- Air Quality match funding: £200k (£40k per annum for 5 years)
- Local Plan Review preparation: £100k
- Microsoft Licences for 2024-25 and 2025-26: £500k

9. Medium Term Financial Plan Update

9.1. The revised budget agreed by the Council in July 2023 showed a projected budget gap over the MTFP period of £18.268m.

	2023-24 Approved £'000	2024-25 Forecast £'000	2025-26 Forecast £'000	2026-27 Forecast £'000
Deficit / Surplus in-year	3,100	8,694	5,865	609
Cumulative Deficit	3,100	11,794	17,659	18,268

Funding Assumptions

9.2. The funding assumptions used were as follows:

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
Council Tax	11.253	11.851	12.207	12.575
CT surplus	0.140	0	0	0
Business Rates	3.670	3.211	3.093	3.093
New Homes Bonus	1.283	0	0	0
Services Grant	0.199	0.114	0.114	0.114
Revenue Support Grant	0.134	0	0	0
Funding Guarantee	0	0	0	0
TOTAL	**16.161**	**15.176**	**15.414**	**15.782**

Council Tax

9.3. The 2023 finance settlement confirmed that capping rules for District Councils in 2023-24 and 2024-25 would be a maximum increase of 2.99%. For Guildford, 1% on Council Tax equates to around £116k of funding.

9.4. The mid-year taxbase estimates have been submitted to DLUHC and show an increase of around 1.2% from last year. This is a small increase from the 1% assumed in the original MTFP estimates.

9.5. The Local Council Tax Support Scheme is reviewed annually. It helps residents on low incomes with their Council Tax. Since it was introduced on 1 April 2013, the scheme rules have evolved. The annual discretionary hardship fund of £40,000 supports claimants affected by our local rules. It is recommended that the current scheme continues with the normal uprating of values to ensure that the help given does not unduly reduce due to inflation and that the £40,000 discretionary hardship fund continues. The uprated figures are set out in Appendix 6.

Second and Long-Term Empty Homes

9.6. The Levelling-up and Regeneration Act 2023 amends the Local Government Finance Act 1992 to allow billing authorities to incentivise the occupation of empty and periodically used “second home” properties through a Council Tax Levy.

Long Term Empty Homes

9.7. Since 1 April 2013 we have been able to determine a local levy payable on long-term empty unfurnished properties. We are charging the largest permitted levy on these properties:

Period Empty	Maximum Levy
<5 years	100% (ie we double the charge)
>= 5 years <10 years	200%
>=10 years	300%

Regulations define a “long-term empty dwelling” as a property where for a continuous period of at least two years it has been:
(a) unoccupied, and
(b) substantially unfurnished.

9.8. With effect from 1 April 2024, the Levelling-up and Regeneration Act 2023 reduces the continuous period from two years to one year. It also introduces a requirement to follow any guidance issued by the Secretary of State. At the time of writing, there is no guidance. Officers expect guidance to include scenarios where it may be inappropriate to charge the levy. We have, however, been successfully collecting the existing levy since April 2013.

9.9. Officers estimate that charging the levy after one year could raise around £650k p.a. (split between the borough and the county). This would be offset by an estimated charge of £63,889 p.a. on Council owned properties. However, the levy should be seen as an incentive to move properties back into occupation, rather than an ongoing source of income.

9.10. Section 11B of the Local Government Finance Act 1992 allows the Council to make, vary or revoke a determination regarding the long-term empty levy for a financial year, but only before the beginning of the year. In the absence of the final government guidance, it is proposed to recommend the change from 1 April 2025 to allow us to receive and to make the change alongside the Periodically Used Properties change outlines below.

Periodically Used Properties

9.11. Whilst these are generally referred to as "second homes" the actual definition is that:

(a) there is no resident of the dwelling, and
(b) the dwelling is substantially furnished.

This therefore includes furnished properties between lets, and other furnished properties not considered to be someone’s sole or main residence under the Council Tax regulations.

9.12. The Levelling-up and Regeneration Act 2023 allows the Council to introduce a premium (levy) on periodically used properties of up to 100% (i.e. we double the charge).

9.13. We must make our first determination at least one year before the beginning of the financial year to which it relates. As a result, the earliest such a levy can start is 1 April 2025. After the first determination we can vary or revoke the determination before the start of the financial year concerned.

9.14. We must have regard to any guidance issued by the Secretary of State. Additionally, the Secretary of State can prescribe classes of dwelling in relation to which we cannot make a determination. At the time of writing, no guidance or regulations have been received. The Council can vary its first determination before 1 April 2025, should it need to do so.

9.15. Officers estimate that a levy of 100% would raise a total of around £1.04m p.a. on around 430 homes. This would be shared with the County Council. As with the long-term empty levy, this should be seen as an incentive to move properties back into full-time occupation, rather than an ongoing source of income.

Business Rates

9.16. A reset of the business rates baseline has been anticipated for several years, with the implementation of the Fair Funding Review. It has now been confirmed that this will not take place in the current parliamentary term.

9.17. The business rates multipliers for 2024-25 were confirmed in the Chancellor's Autumn Statement. The small business rates multiplier was again frozen, and compensation is given to local authorities for the loss of inflation via s31 grant.

New Homes Bonus (NHB)

9.18. A new scheme was due to be introduced two years ago but has still not even reached consultation stage. A further single year, one-off allocation has now been confirmed for 2024-25. The value has reduced from £1.283m in the current year to £697k for 2024-25. No indications have been given over the future of this grant beyond next year.

Other Non-ringfenced Grants

9.19. In the current year, £0.119m of Services Grant and £0.114m of revenue support grant have been received.

9.20. The finance settlement has confirmed sums of £0.019m of Services Grant and £0.122m of Revenue Support Grant for 2024-25.

9.21. In the 2023-24 settlement, a funding guarantee was included which guaranteed all councils a minimum increase of 3% in Core Spending Power. This has now been extended to 2024-25 and means that the reduction in New Homes Bonus and Services Grant will be compensated via Funding Guarantee Grant for 2024-25.

9.22. The overall change in funding for 2024-25 is summarised in the table below:

	2023-24 £	2024-25 Estimate (July '23) £	2024-25 (Prov. Settlement) £
Council Tax	11,392,760	11,851,000	11,868,100
Business Rates	3,152,126	3,211,000	3,317,992
Non-Ringfenced Grants			
Services Grant	118,442	114,000	18,637
Revenue Support Grant	114,006	114,000	121,557
New Homes Bonus	1,282,629	0	697,500
Funding Guarantee	0	0	824,919
TOTAL Non Ring-fenced grants	**1,515,077**	**228,000**	**1,662,613**
TOTAL Funding	**16,059,963**	**15,290,000**	**16,848,705**

9.23. The overall effect is a £147k increase in non-ring fenced grants from 2023-24. In comparison with the July 2023 MTFP update, this is £1.434m more funding than previously assumed for 2024-25 and therefore reduces the budget savings required by that amount.

Cost Pressures

9.24. Inflation remains high, with the latest CPI figure (October 2023) at 4.6%. Whilst significantly down from the October 2022 peak of 11.1%, this still remains well above the Bank of England target of 2%.

9.25. The Council still has most services provided in-house, so contract inflation is less of an issue than the pay-award. However, an annual allowance of £500k has been provided to cover areas such as ICT contracts, cleaning, and maintenance costs.

Pay Award

9.26. The pay award for Guildford Borough Council is negotiated locally and has not yet been agreed for 2024-25.

9.27. The MTFP assumptions have been based upon an increase of 4% for 2024-25, with 3% in the following years. This will be subject to negotiation and whilst this is the budget for the overall increase, it could be applied differently across the payscales. Note – an additional 1% on the pay award would add an extra £0.5m to pay related costs (including on-costs)

Capital Programme Review and Asset Disposals

9.28. Around half of the projected £18.3m MTFP gap relates to capital financing costs. This is due partly to the Council's ambitious capital programme and due to the fact that the cost of borrowing has increased significantly since many of the major schemes in the capital programme were approved.

9.29. It was anticipated that total borrowing for the Council would peak at £600m (including £150m of HRA debt) prior to land sales on the Weyside Urban Village (WUV) scheme which will generate capital receipts to repay some of the debt.

9.30. Proposals were agreed by Council in December 2023 to reduce the existing approved and provisional capital programme by £96.6m. This mainly removed future investment in commercial property and North Downs Housing. This change has reduced both the projected interest costs from the additional borrowing that was assumed to be required and also the Minimum Revenue Provision costs (depreciation) which are incurred once capital schemes are completed.

9.31. In addition, the Council has established an Asset Disposal Programme which is reviewing all of the Council owned assets to determine which are the most appropriate to dispose of in terms of net running costs, value and service usage. A target of £50m has been set from the asset disposal programme which will be delivered in a planned and controlled manner to ensure best value is received. The capital receipts are expected to be delivered by the end of the 2026-27 financial year.

9.32. An additional benefit will be reduced running and maintenance costs from a smaller asset estate, but these are not yet factored into budget projections as any loss of income will also need to be addressed.

9.33. Together, these actions will reduce the Council's peak borrowing requirement to around £450m, prior to WUV land receipts.

Policy Change

9.34. The Council has several large capital projects underway at present (Ash Road Bridge and WUV). Although the MRP changes are not made until the scheme is in operation, interest costs were previously factored into the cost of borrowing from the point of drawdown of the loans. Standard practice is to capitalise the interest on such schemes until operational and treat these as a cost of the project. This has been implemented during 2023-24.

9.35. The borrowing costs for the WUV scheme were previously being calculated using scheme specific loans. This has now been amended so that any capital financing is done corporately, and the pooled interest rate applied to all capital schemes.

9.36. Interest payable to the HRA has historically been calculated including sums held as capital receipts. This is not required by the regulations and has now been ceased, benefitting the General Fund. Also, interest in the SANG should only include 35% of historic sums and has previously been applied to 100%. This has now been amended.

9.37. A review of the consultancy costs charged to capital projects has allowed a reduction of £124k in the cost of staffing within the major projects revenue budget.

Unavoidable Budget Pressures (Growth bids)

9.38. Even with the financial pressures facing the Council, there will always be a number of issues which require additional funding. These are set out below:

- Enforcement of new requirements for private sector housing in relation to Damp and Mould: £124,000
- Health and Safety at Woking Rd Depot: £60,000
- Case worker for Revenues and Benefits due to increased case numbers: £37,500
- 150% national increase in External Audit cost: £180,000
- Planning staffing: £300,000
- Senior Structure (statutory posts): £20,000
- Microsoft licences: £27,500. Plus £250k per annum additional from 2026-27.
- Annual elections contribution: £110k from 2025-26
- Members' Allowances – frozen for 2024-25 then review implemented from 2025-26 (subject to further consideration of IRP's Report in December 2024)

Contract Management

9.39. A review is being undertaken to establish a contract pipeline over the MTFP period, so that renewal of contracts can be managed in a more planned and efficient manner.

9.40. The first major opportunity identified is the utility contract which is due for renewal in September 2024. Early work has identified the potential for £1m to be saved compared to the current arrangements and this has been factored into the MTFP.

9.41. The contract for G-Live is currently being tendered with a view to allowing more flexibility to the operator and removing the current annual subsidy of £275k per annum.

9.42. Similarly, negotiations are on-going with the operator of Spectrum Leisure Centre which will see an additional £90k income raised for 2024-25.

9.43. The contract for telephony, including mobile phones, has been re-tendered with an annual on-going saving of £100k.

9.44. A programme of contract and supplier management improvements is also being developed which should help deliver further savings in due course.

Income Generation / Fees and Charges

9.45. A full review of fees and charges has been carried out across the Council. Increases were kept minimal for 2023-24, despite inflation of 11% during that period.

9.46. Some charges are set nationally and there is therefore no local leeway on these.

9.47. Of these nationally set increases, planning fees are being increased significantly and will more than make up for a shortfall against budget in the current year, which has resulted from the economic downturn.

9.48. Increases in fees and charges have been deemed preferable to cuts in services, so a minimum increase of 5% will be applied for 2024-25. This will generate around £250k extra compared to the current year.

9.49. Some fees and charges are calculated on a full cost recovery basis and have not been looked at in detail for some time. Specific reviews have been undertaken, together with benchmarking against other local authorities, for Car Parking, Garden Waste Collection, Building Control, Land Charges, Legal Services.

9.50. A full schedule of fees and charges for 2024-25 is set out in Appendix 3.

Other Budget Savings

9.51. The initial budget review exercise identified Car Parking income of £937k in excess of the base budget and an unused inflation allowance for 2023-24 of £283k.

9.52. There were, however, two base budget issues identified where income was budgeted without the corresponding expenditure. These have been corrected for Elections reserve (£250k) and homelessness grant (£334k)

9.53. Income from Penalty Charge Notices has increased beyond the budgeted sum by around £80k since the transfer of on-street parking back to the County Council.

9.54. Changes to the waste service such as the removal of bring banks and charging for some bins / bags will generate an additional £52k income.

9.55. The provision of hanging baskets within the town centre will be paused for 2 years, saving £50k per annum. Sponsorship will be looked at where possible to maintain the service.

9.56. The feasibility studies budget of £53k has been removed.

9.57. Support for the Business World (Finance and HR) ICT system has been brought back in-house with a saving of around £35k.

9.58. New Parish Grants have been ceased from April 2024 with a saving of £182k. The LCTSS grant to parishes has been maintained for 2024-25 but will be cut by £45k from 2025/26.

9.59. The triennial review of the local government pension scheme has generated savings of £147k for 2024-25 and a further £159k for 2025-26.

9.60. The review of management agreements in January 2023 for the Yvonne Arnaud Theatre agreed a reduction of £36k in the management fee for 2024-25.

9.61. The Community Services department is undertaking a restructure which will produce savings of £300k.

9.62. Local Enterprise Partnership (LEP) functions are transferring back to County Councils from April 2024 and our contribution of £50k will be discontinued.

9.63. Central budgets for travel, training, staff expenses have been significantly underspent since the pandemic and will now be reduced, saving a total of £420k.

9.64. Better management of the staffing establishment will enable the vacancy credit to be increased from 2% to 5%. This allows for the period where posts are vacant prior to recruitment of replacement staff.

Collaboration with Waverley Borough Council

9.65. £100k staffing has already been agreed for the business transformation/ collaboration team and this will now be added to the base budget.

9.66. A further £200k of additional staffing has been requested as part of the overall collaboration business case and this has been built into the budget together with a corresponding savings target.

9.67. A proposal is being worked on to establish a joint parking enforcement team which is estimated to save around £60k for the Council.

10. Revised MTFP Position

10.1. The table below summarises the impact on the MTFP gap from the measures outlined above.

	2023-24 Approved £'000	2024-25 Forecast £'000	2025-26 Forecast £'000	2026-27 Forecast £'000
Deficit / Surplus in-year (as at July 2023)	3,100	8,694	5,865	609
On-going savings in July 23 report	(1,600)			
Reduced borrowing costs – capital programme reduction		(2,250)	(275)	(150)
Reduced borrowing costs – capital receipts. {details not yet identified}			(1,200)	(1,300)
Income reviews	(900)	(1,793)		
Contract renewals		(828)	(637)	
Other e.g., grants		(232)	(45)	(12)
Base budget adjustments		(636)		

	2023-24 Approved £'000	2024-25 Forecast £'000	2025-26 Forecast £'000	2026-27 Forecast £'000
Capital projects – capitalisation of interest and staffing		(1,424)	(2,809)	2,431
Change in Funding Assumption		(1,434)		
Other budget savings		(1,387)	(159)	50
Collaboration / Business Transformation		300 (260)		
Growth (not in July figures)		650		
Remaining Gap	**600**	**(600)**	**740**	**1,628**
Cumulative Gap	**600**	**0**	**740**	**2,368**

10.2. Although the 2023-24 in year position was balanced, some of the savings were delivered through one-off items such as from the freeze on vacancies and discretionary spend. An additional sum of £600k was therefore required in base budget savings for 2024-25 to balance the on-going budget.

10.3. The table at paragraph 10.1 above summarises how the gap identified in the report to July Council has been addressed. The position for 2024-25 is now balanced but there still remains a sum of £2.7m to be addressed in the remainder of the MTFP period. This could increase if current government funding levels are not maintained in the future.

10.4. The borrowing costs for the WUV scheme will also need to be met from 2027-28 onwards, so further work is still required to deal with the financial impact of this.

Further Work beyond setting the 2024-25 Budget

10.5. Work will continue after setting the 2024-25 budget and will need to cover various areas such as:

- Consideration of different service delivery options

- Collaboration opportunities
- Income generation
- fees and charges detailed reviews (including regulatory, trade waste, crematorium, planning)
- Contract and procurement reviews
- Grants and subscriptions paid to other bodies
- Strategy for financing of Weyside Urban Village
- Full review of the Zero-Based Budgeting exercise outcome
- Targeted agency and Interim staffing reductions.

Financial Services Workstream

10.6. A further workstream was agreed as part of the Financial Recovery Plan, to look at the operation of the Finance Service.

10.7. Significant progress has been made on many issues and the Council now has robust monthly monitoring in place, a 2023-24 budget book published, monitoring and review of debts and establishment control.

10.8. A new budget book will be published in February 2024 for 2024-25, including both budgets and establishment. This will be a key document to enable budget holders to be held to account for their management of the resources made available to them. Amendments to budgets during the year will need to go through the procedures outlined in the Financial and Procurement Procedure Rules.

10.9. It is vitally important that the new processes are embedded within the Council as a legacy from the intense work done on the Financial Recovery Plan. This will form the bedrock of robust financial controls for the future.

11. Reserves and Balances

11.1. There is no planned use of non-earmarked reserves and balances in 2024-25.

11.2. The revised balance at the start of the current year is £8.4m, due to the correction of previous accounting errors. This will be increased by £1.4m due to the corrected treatment of interest and housing advice costs on the HRA and interest on the SANG. The capitalisation of major scheme costs will also move £3m to the Capital financing requirement and reduce general fund costs accordingly.

11.3. A schedule of usable reserves and balances is shown in Appendix 5.

12. Consultations

12.1. The Joint Executive Advisory Board scrutinised the General Fund budget proposals at their meetings on 11 January 2024. The feedback from that meeting is included at Appendix 7.

12.2. Any savings plans will need to be reviewed to ensure that the correct public and user consultations are undertaken prior to implementation.

13. Key Risks

13.1. The risks associated with the MTFP are set out in the s151 Officer's Section 25 report (Appendix 4).

14. Financial Implications

14.1. All decisions made with regard to the Council's budget will impact on the resources available for provision of the Council's services.

14.2. The plans set out within this budget report will deliver a balanced budget for 2024-25. Further action will still be needed to deal with the remaining budget gap in future years.

15. Legal Implications

15.1. The Council's legal duty to set a balanced budget is set out in section 31 of the Local Government Finance Act 1992, which provides that the Council must balance its expenditure with its revenue.

15.2. Section 114(3) of the Local Government Finance Act 1988 requires that: "*The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.*"

15.3. The Council must continue to act lawfully in making decisions on service delivery, regardless of any s114 report. There continues to be a requirement to conduct needs assessments, undertake consultation where appropriate, assess and have regard to equalities implications, and take into account all other relevant considerations to inform their decisions about service delivery.

16. Human Resource Implications

16.1. As part of the Financial Recovery Plan, the Council was required to reduce operational and service delivery costs immediately.

16.2. The immediate measures set out in the September Financial Recovery Plan put a freeze on most recruitment. This freeze will be removed from 1 April 2024, and establishment monitored through the monthly budget monitoring processes. Any variations will need to be agreed by the Corporate Management Board.

17. Equality and Diversity Implications

17.1. There are no direct equality, diversity or inclusion implications resulting from the budget proposals outlined within this report.

18. Climate Change/Sustainability Implications

18.1. The uncommitted sum for Climate Change projects was used as a budget saving during the current year. This has been reinstated for 2024-25.

18.2. Climate change issues will be considered as part of the contract renewal process, for example the utility contract renewal due in September 2024.

19. Summary of Options

19.1. The report outlines proposals to deliver a balanced budget for 2024-25.

19.2. Any further proposed budget growth would need to be matched with further proposals for budget savings.

20. Background Papers

- General Fund Budget Update – Council 25 July 2023
- Issue 1 – Financial Recovery Plan – Council 30 August 2023
- Issue 2 – Financial Recovery Plan - Council 27 September 2023
- Medium Term Financial Plan (MTFP) and Financial Recovery Plan - November Update Report – Council 5 December 2023

21. Appendices

Appendix 1: General Fund Budget Summary 2024-25 to 2026-27

Appendix 2: Summary of Budget Changes

Appendix 3: Fees and Charges Schedule

Appendix 4: Section 25 Report

Appendix 5: Reserves and Balances

Appendix 6: LCTSS Scheme

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Appendix 1

	Original 2023/24 Budget £	Revised 2023/24 Budget £	Proposed 2024/25 Budget £
Community Wellbbeing	18,037,833	17,969,449	20,195,110
Place	(2,044,480)	(2,472,928)	(3,451,227)
Transformation & Governance	10,190,811	9,441,690	8,295,189
Total Directorate Level	26,184,164	24,938,212	25,039,073
Capital Charges	(8,772,936)	(8,772,936)	(8,772,936)
	17,411,228	16,165,276	16,266,137
Corprate Items			
External interest receivable (net)	(2,794,690)	(3,394,690)	(2,062,290)
Interest payable to Housing Revenue Account	1,375,960	1,375,960	875,960
Minimum Revenue Provision	1,780,745	1,618,674	1,618,674
Other reserve movements	9,940	9,940	9,940
Business Rates GF impact	(3,152,126)	(3,152,127)	(3,318,026)
Other Govt Grants	(227,765)	(227,766)	(140,194)
New Homes Bonus	(1,282,629)	(1,282,630)	(697,500)
Funding guarantee	0	0	(824,919)
Council Tax Collection Fund	0	140,062	0
Net General Fund Cost	13,120,663	11,252,700	11,727,781
Council Tax Requirement	11,252,700	11,252,700	11,727,781
Shortfall / (surplus)	1,867,963	0	0

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Summary of budget Changes from 2023-24 to 2026-27	2023-24 Approved £'000		Linked	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	Notes
Deficit / Surplus in-year	3,100,000	Feb 23					
In year budget savings	-1,485,037	July 23					
Budget GAP	1,614,963	July 23		1,615,000	0	739,800	as per November Budget report
Salary adjustments for in-year vacancies - part year effect .	-390,934	one-off					
Correction of the Council Tax Deficit from the collection fund not included in original budget.	140,000	one-off					
Reduction of in year Economic Development staffing costs including major projects	-190,000	one-off					
Increase income from Spectrum due to extension of Leisure Management Contract	-66,000	increases		-90,000			£66k from contract plus £24k in 24/25
Increased income from Parking Charge Notices due to changes in service provision.	-40,000	one-off					
Reversal of budget adjustment due to planned development in North Street within Car Parks.	-490,000	one-off					
Increased Car Parking Income against budgetary forecast.	-460,000	one-off					
Budget allocated for the re-opening of Onslow Park and ride which is no longer required.	-139,000	On-going		-139,000			
Removal of budget for feasibility studies.	-54,000	one-off					
Removal of unallocated budget for climate change.	-131,000	one-off					
Reduction in the amount of Minimum Revenue Provision (MRP) required due to application of correct treatment of assets.	-168,000	one-off					
Reduction in Treasury Management Costs (HRA / SANG corrected)	-600,000	one-off					
Increase in Garden Waste Income due to increased demand.	-125,000	one-off					
Reduction of costs for Parks and Rangers	-41,029	one-off					
Unbudgeted costs for planning appeals in addition to £350,000 previously agreed funded from reserves.	100,000	one-off					
Increased costs of external Audit due to recent re-tendering	140,000	one-off					
Increased Utility Costs	900,000	on-going		900,000			
Base Budget Adjustments							
Inflation allowance				-283,000			23/4 unused allocation
Car parking base budget adjustment				-937,000			Excess income in 23-24 (on-going)
Elections funding reversal				250,000			Remove transfer from reserves (incorrect in 23-24)
Homelessness Prevention funding reversal				334,000			Correction of budget error in 23-24
Funding							
CT base growth plus 2.99				-475,300	-512,700	-534,800	
Funding - guaranteed increase of 3% (less taxbase growth)				-152,000	?	?	Potential loss of NHB, FG etc from 25-26
Business Rates SFA increase				-165,900			
Income / Fees and Charges							
Increase Car Parking income by fee review				-800,000			
Car parks stretch target				-400,000			
Garden Waste				-300,000			Increase to £58
Penalty Charge Notices (PCNs)				-80,000			Growth seen in 23/24 post on-street return to SCC
Planning Fees				-63,000			Diff between the 23/4 shortfall and the national fee increase
Additional Income from F&C				-250,000			5% increase or more
Capital Programme / Borrowing Costs							
HRA / SANG interest				-500,000			Corrected treatment
Capitalisation (major projects)				-2,500,000			Interest capitalised as project cost
Disposals - reduction in interest costs			y	0	-1,200,000	-1,300,000	Assumed £50m capital receipts used to defray borrowing
Major projects consultancy				-124,000			Remove capitalised staff
Contract Review							
Utilities				-500,000	-500,000		Part year effect due to retender sept '24
G Live				-138,000	-137,000		Part year - contract out for retender (no subsidy)
Telephone Contract				-100,000			New contract savings

Summary of budget Changes from 2023-24 to 2026-27	2023-24 Approved £'000	Linked	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	Notes
Other Budget Savings						
Waste policy			-52,000			Bring bins, charges
Feasability studies			-53,000			
Business World support			-35,000			Employed staff V contract cost
Hanging baskets			-50,000		50,000	2 year pause only
Parish Grants			-182,000			Cease new grants from 1/4/24
Local Government Pension Scheme		Y	-147,000	-159,000		Triennial Review (backdated element)
LEP Contributions			-50,000			Going back to County Councils
LCTSS Grant to Parishes			0	-45,000	-12,000	Grant to parishes reduced from 2025-26
Community Restructure			-300,000			
Central Budgets			-420,000			
Reduction in grants - Yvonne Arnaud Theatre			-36,000			Exec Paper January 22 (3 yr agreement)
Vacancy Credit 3%			-423,900			Increased vacancy factor
Collaboration savings			-200,000			Match increased staffing costs
Enforcement with WBC			-60,000			GBC to provide joint service
Required Growth						
Pay Award inc increments			2,025,600	1,594,400	1,657,800	based on 5%, 3% and 3%
Members Allowances		Y	0	89,100	17,100	No change 2024-25. Review implemented 25-26, then Inflation
H&S support			60,000			Woking Road Depot H&S
Transformation programme staff			100,000			As per November report
External Audit Costs			180,000			151% contract increase nationally
Contract Inflation			500,000	500,000	500,000	
Senior Structure			20,000			Statutory posts review
Capital Financing			4,000,000	1,000,000	1,000,000	
Planning			300,000			Base budget adjustment
Regulatory Services (Damp and Mould / Empty Homes)			124,000			Enforcement. Grant funding £12m nationally
Microsoft Enterprise Agreement (2 years from reserve)			27,500		250,000	Use one-off for Y1 and Y2
Yearly elections contribution				110,000		Need annual contribution for 4 year elections - start year 2
Revs and Bens Case Worker			37,600			New Council Tax caseworker
Collaboration staffing			200,000			Increase above the £100k already agreed. Offset by collab savings
Agency / Casual budget reduction			*-300,000*			
R&M Charge to HRA			*-200,000*			
Adj to cap finance budgets			*-167,600*			
Council Tax surplus / deficit			?			
NNDR surplus / deficit			?			
Net Position	**0**		**0**	**739,800**	**2,367,900**	

Appendix 3

GUILDFORD BOROUGH COUNCIL
GENERAL FUND BUDGET 2024-25

FEES AND CHARGES

Approved by the Government Fee to be applied by Guildford Borough Council

Environmental Protection Act 1990-Fees for authorisation of industrial process Note: these fees are prescribed nationally by regulation and are reviewed annually by DCLG.

Statutory Maximum

Classes of Premises licence	Non-conversion application fee in respect of other premises	Annual fee	Maximum fee for application to vary licence	Fee for application to transfer a licence	Fee for application for reinstatement of a licence	Fee for application for provisional statement	Fee for Licence Application (provisional Statement Holders)	Fee for Copy Licence	Fee for Notification of Change
	£	£	£	£	£	£	£	£	£
Regional casino premises licence	15,000.00	15,000.00	7,500.00	6,500.00	6,500.00	15,000.00	8,000.00	25.00	50.00
Large casino premises licence	10,000.00	10,000.00	5,000.00	2,150.00	2,150.00	10,000.00	5,000.00	25.00	50.00
Small casino premises licence	8,000.00	5,000.00	4,000.00	1,800.00	1,800.00	8,000.00	3,000.00	25.00	50.00
Bingo premises licence	3,500.00	1,000.00	1,750.00	1,200.00	1,200.00	3,500.00	1,200.00	25.00	50.00
Adult gaming centre premises licence	2,000.00	1,000.00	1,000.00	1,200.00	1,200.00	2,000.00	1,200.00	25.00	50.00
Betting premises (track) licence	2,500.00	1,000.00	1,250.00	950.00	950.00	2,500.00	950.00	25.00	50.00
Family entertainment centre premises licence	2,000.00	750.00	1,000.00	950.00	950.00	2,000.00	950.00	25.00	50.00
Betting premises (other) licence	3,000.00	600.00	1,500.00	1,200.00	1,200.00	3,000.00	1,500.00	25.00	50.00

Guildford Borough Council Fee

Classes of Premises licence	Non-conversion application fee in respect of other premises	Annual fee	Maximum fee for application to vary licence	Fee for application to transfer a licence	Fee for application for reinstatement of a licence	Fee for application for provisional statement	Fee for Licence Application (provisional Statement Holders)	Fee for Copy Licence	Fee for Notification of Change
	£	£	£	£	£	£	£	£	£
Regional casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Large casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Small casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Bingo premises licence	2,449.78	724.23	1,449.78	864.29	864.29	2,449.78	958.94	15.00	30.00
Adult gaming centre premises licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	493.28	15.00	30.00
Betting premises (track) licence	1,984.12	590.37	984.12	273.53	764.36	1,984.12	493.28	15.00	30.00
Family entertainment centre premises licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	493.28	15.00	30.00
Betting premises (other) licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	764.36	15.00	30.00

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
To be approved by Council				
Gypsy Caravan Sites - Pitch Rental				
Ash Bridge & Cobbetts Close Sites (per week)	90.06	3.5%	96.99	7.7%
Calvert Road	93.29	3.7%	100.47	7.7%
Home Farm	91.70	3.0%	98.76	7.7%
Stray Dogs				
A £25.00 statutory fee which is not included in the charge.			25.00	
Call out and collection charge			79.00	
Return dog to you			38.50	
Kenneling feels (in addition to above)				
1st day or part of day	127.70	3.0%	30.00	-76.5%
2nd day or part of day	148.30	3.0%	60.00	-59.5%
3rd day or part of day	171.00	3.0%	90.00	-47.4%
4th day or part of day	200.90	3.0%	120.00	-40.3%
5th day or part of day	231.80	3.0%	150.00	-35.3%
6th day or part of day	261.60	3.0%	180.00	-31.2%
7th day or part of day	302.80	3.0%	210.00	-30.6%
Microchipping of Dogs (England) Regulations 2015				
Microchipping of dog - seizure of dog, microchipping by vet and return to owner			Price on application	
Registration – Acupuncture, tattooing, etc.				
Premises and/or One Practitioner	259.60	3.0%	276.00	6.3%
Per Additional Practitioner	98.90	3.0%	105.00	6.2%
Food Hygiene Revisits	323.40	3.0%	344.00	6.4%
Pest Control				
(The charges shown are based on the cost of labour, transport plus materials)				

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Domestic Premises				
Wasps (max 1 nest per premise)	80.00	11.1%	85.00	6.3%
Wasps (extra nest at same visit)	43.00	10.3%	45.00	4.7%
Other Treatments	95.00	8.0%	110.00	15.8%
Other Treatments (houses of multiple occupation)	136.00	9.7%	150.00	10.3%
Rodents	55.00	22.2%	75.00	36.4%
Domestic Premises where the main occupier is receiving income support or benefits				
Wasps (max 1 nest per premise)	43.00	10.3%	46.00	7.0%
Wasps (extra nest at same visit)	43.00	10.3%	45.00	4.7%
Other Treatments	63.00	10.5%	70.00	11.1%
Rodents			Free of Charge	
Services of Environmental Health Officer				
- per hour or part thereof	67.00	3.1%	72.00	7.5%

****Due to the England Local Authority review of fees and charges these may be subject to change****

Miscellaneous
Extracts from Registers - Food Safety Act, per page. Under the Freedom of Information Act 2000 the charge is waived as the cost of collecting the fee is more than the charge.

	2023-24	Increase %	2024-25	Increase %
Sex Establishments - Fixed by Council				
Application fee	1,615.00	3.0%	2,741.00	69.7%
Fee of Grant	164.80	3.0%	377.00	128.8%
Contaminated Land & Air Quality				
Responding to enquiries about contaminated land – report	91.70	3.0%	100.00	9.1%
Each additional hour	86.50	3.0%	90.00	4.0%

Note: for more extensive enquiries the fee is based on the hourly rate of the EHO added to the basic fee

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Private water supply				
Private water supply with a distribution network - investigati	Hourly rate £82.00 maximum £100		Hourly rate £94.30 maximum £100	15%
Large private water supply - risk assessment	Hourly rate £82.00 maximum £500		Hourly rate £94.30 maximum £500	15%
Large Private water supply - investigation when a sample fa	Hourly rate £82.00 maximum £100		Hourly rate £94.30 maximum £100	15%
Large Private water supply - analysing a sample taken dur	Hourly rate £82.00 maximum £100		Hourly rate £94.30 maximum £100	15%
Large Private water supply - analysing a sample taken dur	Hourly rate £82.00 maximum £500		Hourly rate £94.30 maximum £500	15%
Other private water supply not covered by regulation 8 and	Hourly rate £82.00 maximum £500		Hourly rate £94.30 maximum £500	15%
Other private water supply not covered by regulation 8 and	Hourly rate £82.00 maximum £100		Hourly rate £94.30 maximum £100	15%
Analysing a sample –Taken under regulation 10	Cost as charged by labs		Cost as charged by labs	
Analysing a sample –Taken during check monitoring	Cost as charged by labs		Cost as charged by labs	
Analysing a sample –Taken during audit monitoring	Cost as charged by labs		Cost as charged by labs	
Extracts from Registers				
Environmental Protection Act - per page	Free of Charge		Free of Charge	
Miscellaneous				
Reports to Solicitors on the circumstances relating to workplace accidents (excl. cost of photographs) - up to 2 hours, extra charged at the hourly rate				
From April 2017 this will be charged at the hourly rate	67.00	3.1%	72.00	7.5%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Animal Activities Licensing				

The law has changed as of 1 October 2018 and the Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 are now in force.

Premises already licensed under the old legislation will continue to be licensed until such time as their licence expires. They will then have to apply for a new licence under the new regulations.

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Animal Boarding				
Application Fee	712.80	3.0%	759.13	6.5%
Fee for Grant	287.40	3.0%	306.08	6.5%
Any vet fees will be payable upon application and as required for licence duration				
Home Boarding				
Application Fee	712.80	3.0%	759.13	6.5%
Fee for Grant	287.40	3.0%	306.08	6.5%
Any vet fees will be payable upon application and as required for licence duration				
Dog Day Care				
Application Fee	712.80	3.0%	759.13	6.5%
Fee for Grant	287.40	3.0%	306.08	6.5%
Any vet fees will be payable upon application and as required for licence duration				
Dog Breeding				
Application Fee	824.00	3.0%	877.56	6.5%
Fee for Grant	225.60	3.0%	240.26	6.5%
Any vet fees will be payable upon application and as required for licence duration				
Keeping Animals for Exhibition				
Application Fee	299.70	3.0%	319.18	6.5%
Fee for Grant	150.40	3.0%	160.18	6.5%
Any vet fees will be payable upon application and as required for licence duration				

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Selling Animals as Pets				
Application Fee	472.80	3.0%	759.13	60.6%
Fee for Grant	236.90	3.0%	306.08	29.2%
Any vet fees will be payable upon application and as required for licence duration				
Hiring out Horses				
Application Fee	577.80	3.0%	615.36	6.5%
Fee for Grant	289.40	3.0%	308.21	6.5%
Any vet fees will be payable upon application and as required for licence duration				
Dangerous Wild Animals				
-New	432.60	3.0%	460.72	6.5%
-Renewal	225.60	3.0%	240.26	6.5%
Zoo Licence				
-New	2,519.40	3.0%	2,683.16	6.5%
-Renewal	2,519.40	3.0%	2,683.16	6.5%
Each Additional Licence Activity				
Application Fee	87.60	3.1%	93.29	6.5%
Fee for Grant	96.80	3.0%	103.09	6.5%
Each Additional Inspection	107.10	3.0%	214.06	99.9%
Variation to Licence	237.90	3.0%	253.36	6.5%
Re-evaluation of Rating	237.90	3.0%	253.36	6.5%
Variations to reduce the licensable activities or numbers of	97.90	3.1%	104.26	6.5%
Transfer due to death of Licensee	97.90	3.1%	104.26	6.5%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Street Trading				
Street Trading Total Fee	381.10	3.0%	786.97	106.5%
Street Trading Community Event	42.20	2.9%	43.47	3.0%
Charges for issue of a consent under the provisions of the Local Government (Miscellaneous) Provisions Act 1982				
Day Centres				
Price per meal:				
Member	4.70	2.1%	4.90	4.3%
Non member	6.60	3.2%	6.90	4.5%
Main course only - member	3.30	3.0%	3.50	6.1%
Main course only - non member	4.60	2.2%	4.80	4.3%
Dessert only - member	1.60	6.5%	1.70	6.2%
Dessert only - non member	2.20	4.8%	2.30	4.5%
Theme Meal - member	6.40	3.2%	6.70	4.7%
Theme Meal - non member	7.90	2.7%	8.30	5.1%
Membership Fees:				
Day Centre only	13.80	3.0%	14.60	5.8%
Day Centre and Dial a Ride (50% is for Community Transp	21.20	2.9%	22.60	6.6%
Membership Top Up Transport	7.20	2.8%	8.00	11.1%
Membership Top Up Transport	7.20	2.8%	8.00	11.1%
Day Centre Activities**	3.60	2.8%	3.80	5.6%
Hairdressers - Rent a Chair - Per Chair, Per Day - New Charge			40.00	
Income from other services***e.g. hairdressing and chiropc	21%	3.0%	22%	1.0%

***These are activities such as Tai Chi and Line Dancing provided by external facilitators*

**** These charges were previously retained by the centre welfare funds*

Meals on Wheels Service				
Price per meal	4.60	2.2%	4.80	4.3%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Hire of Halls				
Voluntary and Not for Profit Providers per Hour	26.80	3.1%	30.00	11.9%
Educational Activities	27.80	3.0%	30.00	7.9%
Private hire	37.00	2.8%	40.00	8.1%
Half Day	116.50	3.1%	160.00	37.3%
Full Day	230.00	1.3%	300.00	30.4%
Community Transport Service				
Single Membership Fees:	13.90	3.0%	14.60	5.0%
Dial a Ride only	13.90	3.0%	14.60	5.0%
Community Transport to Day Centre	13.90	3.0%	14.60	5.0%
Day Centre and Dial a Ride (half this fee relates to Day Ce	22.00	7.3%	22.60	2.7%
Group Membership Fees:	63.90	3.1%	67.10	5.0%
Vehicle Hire per 1/2 hr	10.80	2.9%	11.30	4.6%
Charge per mile	1.00	0.0%	1.10	10.0%
Passenger charge (min 5 people)	6.70	3.1%	7.00	4.5%
Single Journey				
1 mile	3.10	3.4%	3.30	6.5%
2 miles	3.60	2.8%	3.80	5.6%
3 miles	4.10	2.6%	4.30	4.9%
4 miles	4.60	2.2%	4.80	4.3%
5 miles	5.10	2.1%	5.40	5.9%
6 miles	5.60	1.9%	5.90	5.4%
7 miles	6.10	1.7%	6.40	4.9%
8 miles	6.60	1.6%	6.90	4.5%
9 miles	7.10	1.4%	7.50	5.6%
10 miles	7.60	1.4%	8.00	5.3%
11 miles	8.10	1.3%	8.50	4.9%
12 miles	8.60	1.2%	9.00	4.7%
13 miles	9.10	-4.2%	9.60	5.5%
14 miles	9.60	-4.0%	10.10	5.2%
15 miles. Journeys above 15 miles are not undertaken.	10.10	-3.8%	10.60	5.0%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Handyperson Service - Available for the over 60's, disabled and vulnerable				
General Services (per hour incl VAT)	27.00	3.8%	29.00	7.4%
General Services for those on benefits (per hour incl VAT)	16.00	3.2%	17.00	6.3%
Safe and Secure Works for those on benefits				
Approved under Delegated Authority				
Private Sector Housing				
HMO Licences	939.40	3.0%	987.00	5.1%
(Discount of £25 if applicant is a member of a recognised landlord organisation)				
(Discount of £50 if applicant is an accredited Landlord of the Guildford Letting Scheme)				
(Both discounts can not be applied at the same time)				
Late application fee				
Careline				
Weekly Charges				
Sheltered accommodation clients	0.70	8.0%	0.80	14.3%
Elderly Persons dwellings clients	3.40	1.5%	3.60	5.9%
Private Sector Clients (dispersed alarms - Landline)	4.90	3.2%	5.10	4.1%
Responder Services (out of hours)	1.50	3.0%	1.60	7.0%
Private Sector Clients (Digital Units) - NEW CHARGE			6.00	
Caravan Licence				
New Licence Application				
Number of Pitches 1 - 5	398.60	3.0%	419.00	5.1%
Number of Pitches 6 - 15	414.10	3.0%	435.00	5.0%
Number of Pitches 16 - 45	548.00	3.0%	576.00	5.1%
Number of Pitches 46 and greater	597.40	3.0%	628.00	5.1%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Transfer of Existing Licence				
Number of Pitches 1 - 5	144.20	3.0%	152.00	5.4%
Number of Pitches 6 - 15	144.20	3.0%	152.00	5.4%
Number of Pitches 16 - 45	144.20	3.0%	152.00	5.4%
Number of Pitches 46 and greater	144.20	3.0%	152.00	5.4%
Application to vary a Site Licence				
Number of Pitches 1 - 5	251.00	3.3%	264.00	5.2%
Number of Pitches 6 - 15	268.00	3.1%	282.00	5.2%
Number of Pitches 16 - 45	301.00	3.1%	317.00	5.3%
Number of Pitches 46 and greater	352.00	3.5%	370.00	5.1%
Annual Licence Fee				
Number of Pitches 1 - 5	92.00	-80.0%	97.00	5.4%
Number of Pitches 6 - 15	133.00	-74.9%	140.00	5.3%
Number of Pitches 16 - 45	219.00	-66.5%	230.00	5.0%
Number of Pitches 46 and greater	354.00	-49.6%	372.00	5.1%
Fit and Proper Licence Fee (introduced 2021)				
Licence Application Fee	218.00	6.9%	229.00	5.0%
Annual licence fee where up to 1 Condition	234.00	5.9%	246.00	5.1%
Annual licence fee where up to 2 Conditions	351.00	6.4%	369.00	5.1%
Annual licence fee where 3 or more Conditions	418.00	6.4%	439.00	5.0%
Deposit of Site Rules				
Number of Pitches 1 - 5	37.10	3.1%	39.00	5.1%
Number of Pitches 6 - 15	37.10	3.1%	39.00	5.1%
Number of Pitches 16 - 45	37.10	3.1%	39.00	5.1%
Number of Pitches 46 and greater	37.10	3.1%	39.00	5.1%
Scrap Metal				
Site Licence	216.30	3.0%	250.00	15.6%
Mobile Collector	198.80	3.0%	220.00	10.7%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Local Authority Pollution Protection Control				
Fees are set by Statute and are available on request from the Environmental Control service.				
Hackney Carriages and Private Hire Vehicles				
Hackney Carriage Vehicle (new/renew)	276.20	3.0%	276.20	0.0%
Private Hire Vehicle (new/renew)	270.30	3.0%	270.30	0.0%
Hackney Licence Vehicle Change	26.70	3.2%	26.70	0.0%
Vehicle Licence Plates	23.00	3.0%	23.00	0.0%
Private Hire Vehicle Change	26.70	3.2%	26.70	0.0%
Test Fee	59.70	2.9%	59.70	0.0%
Hackney carriage temporary vehicle licence (3 months)	115.10	3.0%	115.10	0.0%
Private hire temporary vehicle licence (3 months)	113.60	3.0%	113.60	0.0%
Private hire vehicle signs (two signs)	26.60	3.1%	26.60	0.0%
Hackney Carriage and Private Hire Drivers				
Hackney Drivers Licence Fee (new/renew)	382.60	3.0%	382.60	0.0%
Private Hire Drivers Licence Fee (new/renew)	382.60	3.0%	382.60	0.0%
Hackney Drivers Knowledge Test	45.90	2.9%	45.90	0.0%
Private Hire Drivers Knowledge Test	25.60	3.1%	25.60	0.0%
Private Hire Replacement Badge	14.10	3.2%	14.10	0.0%
Convert from Private Hire Driver to Hackney Carriage Drive	19.20	3.0%	19.20	0.0%
				0.0%
Private Hire Operators Licence	2,289.80	3.0%	2,289.80	0.0%

 # subject of a report to Licensing Committee date tbc, and a further period of statutory consultation.

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Statutory Permits				
Premises licensed to sell alcohol				
- notification (automatic entitlement)	50.00	0.0%	50.00	0.0%
- new application	150.00	0.0%	150.00	0.0%
- fast track application	100.00	0.0%	100.00	0.0%
- change of name	25.00	0.0%	25.00	0.0%
- vary permit	100.00	0.0%	100.00	0.0%
- annual fee	50.00	0.0%	50.00	0.0%
- copy permit	15.00	0.0%	15.00	0.0%
- transfer permit	25.00	0.0%	25.00	0.0%
Prize Gaming Permit				
- new application	300.00	0.0%	300.00	0.0%
- fast track application	100.00	0.0%	100.00	0.0%
- renewal	300.00	0.0%	300.00	0.0%
- change of name	25.00	0.0%	25.00	0.0%
- copy permit	15.00	0.0%	15.00	0.0%
Lotteries				
- registration of society	40.00	0.0%	40.00	0.0%
- renewal (annual fee)	20.00	0.0%	20.00	0.0%
Pavement Licence				
New/Renewal from 1 April 2024 to 30 September 2024	100.00	0.0%	100.00	0.0%
New Application from 1 October 2024			500.00	
Renewal Application from 1 October 2024			350.00	
Pre-Application Advice				
Application checking service	26.26		31.50	20.0%
Application advice service	80.00		96.00	20.0%
Full application advice service	241.19		289.43	20.0%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
To be approved by Council				
Off Street Car Park Charges				
Contract Car Parking				
Main car parks - Monday to Friday only - Per year	2,604.00	0.0%	on application	
Main car parks - Saturday only - Per year	521.00	0.0%	on application	
Main car parks - Monday to Saturday only - Per year	3,125.00	0.0%	on application	
Stoke Fields, Stoke Road, and Eagle Road car parks - Resident rate - Per year	626.00	0.0%	on application	
Season Ticket Parking				
Farnham Road car park - Monday to Friday only - Per year	2,024.00	0.0%	on application	
Farnham Road car park - Monday to Saturday only - Per year	2,428.00	0.0%	on application	
York Road car park - Monday to Friday only - Per year	2,231.00	0.0%	on application	
York Road car park - Monday to Saturday only - Per year	2,677.00	0.0%	on application	
Bedford Road car park - Monday to Friday only - Per year	2,277.00	0.0%	on application	
Guildford Park car park - Monday to Friday only - Per year	1,061.00	0.0%	on application	
Garages				
Gardner Road, Stoke Fields, Bedford Sheds - Residents only - Per year	815.00	3.4%	856.00	5.0%
Gardner Road, Stoke Fields, Park Road - Non-residents - Per year	1,370.00	3.5%	1,439.00	5.0%
Bedford Road Sheds - Non-resident - Per year	1,960.00	3.4%	2,058.00	5.0%
Penalty Fee Notice				
Pay and display space	25.00	0.0%	on application	
Permit space	35.00	0.0%	on application	

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Refuse Collection Service				
Special Collection of Household Refuse	tbc		tbc	
For a single item	tbc		tbc	
For 2 to 5 items	tbc		tbc	
For the collection of large quantities with charges being assessed by a Council Inspector				
Domestic Waste per hour or part thereof (Minimum charge 1 hour)	-		on application	
Commercial Waste per hour or part thereof (Minimum 2 hours)	-		on application	
Duty of care certificate	32.00	10.2%	32.00	0.0%

Dog Fouling

Fixed Penalty Charge

Replaced by public spaces protection orders (Anti Social Behaviour, Crime and Policing Act 2014)- fines of up to £100 on the spot or up to £1,000 if the matter goes to court

Approved under Delegated Authority

Cleansing

	2023-24	Increase	2024-25	Increase
Provision of bins to housing developments & redevelopments				
Initial supply and delivery of one refuse and one recycling standard 140ltr, 240ltr or 360ltr bins to new or refurbished properties	70.00	16.7%	75.00	7.1%
Initial supply and delivery of 770ltr bins to new properties	375.00	23.0%	400.00	6.7%
Initial supply and delivery of 1100ltr bins to new properties	380.00	22.6%	410.00	7.9%
Charges for 770ltr and 1100ltr bins are subject to change to reflect the cost to the Council of purchasing the bins from our supplier.				
Recycling - Green Waste Bins				
Per Bin	48.00	6.7%	58.00	20.8%
Replacement Bin	35.00	16.7%	37.00	5.7%
1 Set of 4 - 60 litre sacks	48.00	6.7%	51.00	6.3%
Refuse				
Replacement Bin	35.00	16.7%	37.00	5.7%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Abandoned Vehicles				
Recovery and Release of vehicle	114.60	3.0%	120.00	4.7%
Daily Charge (Monday to Friday)	12.70	2.8%	13.50	6.3%
Streetscene related Penalty Charges				
FPN Fly Tipping	400.00	100.0%	400.00	0.0%
FPN Duty of Care - Commercial	400.00	100.0%	400.00	0.0%
FPN Duty of Care - Domestic	300.00	50.0%	300.00	0.0%
FPN Litter, distribution of printed matter, and graffiti and fly-posting	150.00	200.0%	150.00	0.0%
FPN Failure to produce Waste Transfer Note	300.00	0.0%	300.00	0.0%
FPN Commercial Waste Receptacle Offences	110.00	10.0%	110.00	0.0%
FPN Domestic Waste Receptacle Offences	80.00	33.3%	80.00	0.0%
FPN Nuisance Parking	100.00	0.0%	100.00	0.0%
FPN Abandoning a Vehicle	200.00	0.0%	200.00	0.0%
Fixed Penalty Charge Dog Fouling (PSPO)	100.00	0.0%	100.00	0.0%
Approved by Government				
Public	54.80	0.0%	54.80	0.0%
MOT				
Re-test within 24 hours on minor items	27.40	0.0%	27.40	0.0%
Re-test within 10 days				
Thereafter full cost				
Taxi	60.00	3.4%	60.00	0.0%
Vehicle Inspection Fee	27.40	0.0%	27.40	0.0%
MOT carried out as part of the Taxi Inspection (to be booked at the same time)				
For a full list of charges please contact the MOT bay				

*= includes VAT at 20%

Car Park Type

Shopper

car park	Type	Spaces
Bedford Rd MSCP	Pay and display	1033
Castle MSCP	Barrier Pay on Foot	350
G-Live	Pay and display	220
Millbrook	Pay and display	244
Tunsgate	Barrier Pay on Foot	64
York Rd MSCP* (capped at £11.00 per day)	Barrier Pay on Foot	605
subtotal		2516

Current Tariffs				Proposed Taffifs			
Mon-Sat		Sun		Mon-Sat		Sun	
Daytime 8am-6pm	Evening 6pm-10pm	Daytime 11am-5pm	Evening 6pm-10pm	Daytime 8am-6pm	Evening 6pm-10pm	Daytime 11am-5pm	Evening 6pm-10pm
<1hr - £3.60 1-2hr - £3.60 2-3hr - £3.60 3-4hr - £7.20 4-5hr - £7.20 5-6hr - £7.20 6-7hr - £14.40 7-8hr - £14.40 8-9hr - £14.40 9-10hr - £14.40	£1.50 per visit	<1hr - £2.00 1-2hr - £2.00 2-3hr - £2.00 3-4hr - £4.00 4-5hr - £4.00 5-6hr - £4.00	£1.50 per visit	<1hr - £4.00 1-2hr - £4.00 2-3hr - £4.00 3-4hr - £8.00 4-5hr - £8.00 5-6hr - £8.00 6-7hr - £16.00 7-8hr - £16.00 8-9hr - £16.00 9-10hr - £16.00	£2.20 per visit	<1hr - £4.00 1-2hr - £4.00 2-3hr - £4.00 3-4hr - £8.00 4-5hr - £8.00 5-6hr - £8.00	£2.20 per visit

Short-stay

Car park	Type	Spaces
Bedford Surface	Pay and display	68
Bright Hill	Pay and display	58
Commercial Rd 2	Pay and display	52
Upper High St	Pay and display	49
Lawn Rd (p-t S&S)*	Pay and display (part-time)	87
Leapale Rd MSCP	Pay and display	317
Mary Road	Pay and display	107
Millmead House (p-t S&S)*	Pay and display (part-time)	27
North St (p-t M-Th&Sun)*	Pay and display (part-time)	48
Portsmouth Rd (p-t Eve+S&S)*	Pay and display (part-time)	98
Robin Hood (p-t S&S)*	Pay and display (part-time)	23
St Josephs (p-t S&S)*	Pay and display (part-time)	71
subtotal		1067

Current Tariffs				Proposed Taffifs			
Mon-Sat		Sun		Mon-Sat		Sun	
Daytime 8am-6pm	Evening 6pm-10pm	Daytime 11am-5pm	Evening 6pm-10pm	Daytime 8am-6pm	Evening 6pm-10pm	Daytime 11am-5pm	Evening 6pm-10pm
<1hr - £1.80 1-2hr - £3.60 2-3hr - £5.40 3-4hr - £7.70 4-5hr - £10.00 5-6hr - £12.30 6-7hr - £14.60 7-8hr - £16.90 8-9hr - £19.20 9-10hr - £21.50	£1.50 per visit	<1hr - £2.00 1-2hr - £2.00 2-3hr - £2.00 3-4hr - £4.00 4-5hr - £4.00 5-6hr - £4.00	£1.50 per visit	<1hr - £2.00 1-2hr - £4.00 2-3hr - £6.00 3-4hr - £8.50 4-5hr - £11.00 5-6hr - £13.50 6-7hr - £16.00 7-8hr - £18.50 8-9hr - £21.00 9-10hr - £23.50	£2.20 per visit	<1hr - £2.00 1-2hr - £4.00 2-3hr - £6.00 3-4hr - £8.50 4-5hr - £11.00 5-6hr - £13.50	£2.20 per visit

Long-stay

Car park	Type	Spaces	Current Mon-Sat Daytime 8am-6pm	Current Mon-Sat Evening / Overnight	Current Sun Daytime 11am-5pm	Current Sun Evening / Overnight	Proposed Mon-Sat Daytime 8am-6pm	Proposed Mon-Sat Evening / Overnight	Proposed Sun Daytime 11am-5pm	Proposed Sun Evening / Overnight
Farnham Ed MSCP (7am-7pm, 7pm-7am - capped at £9.00 per day)	Barrier Pay on Foot	917	<1hr - £1.10 1-2hr - £2.20 2-3hr - £3.30 3-4hr - £4.40 4-5hr - £5.50 5-6hr - £6.60 6-7hr - £7.70 7-8hr - £8.80 8-9hr - £9.00 9-10hr - £9.00 10-11hr - £9.00 11-12hr - £9.00	<1hr - £0.20 1-2hr - £0.40 2-3hr - £0.60 3-4hr - £0.80 4-5hr - £1.00 5-6hr - £1.20 6-7hr - £1.40 7-8hr - £1.60 8-9hr - £1.80 9-10hr - £2.00 10-11hr - £2.20 11-12hr - £2.40	<1hr - £2.00 1-2hr - £2.00 2-3hr - £2.00 3-4hr - £4.00 4-5hr - £4.00 5-6hr - £4.00	<1hr - £0.20 1-2hr - £0.40 2-3hr - £0.60 3-4hr - £0.80 4-5hr - £1.00 5-6hr - £1.20 6-7hr - £1.40 7-8hr - £1.60 8-9hr - £1.80 9-10hr - £2.00 10-11hr - £2.20 11-12hr - £2.40	<1hr - £1.10 1-2hr - £2.20 2-3hr - £3.30 3-4hr - £4.40 4-5hr - £5.50 5-6hr - £6.60 6-7hr - £7.70 7-8hr - £8.80 8-9hr - £9.00 9-10hr - £9.00 10-11hr - £9.00 11-12hr - £9.00	<1hr - £0.20 1-2hr - £0.40 2-3hr - £0.60 3-4hr - £0.80 4-5hr - £1.00 5-6hr - £1.20 6-7hr - £1.40 7-8hr - £1.60 8-9hr - £1.80 9-10hr - £2.00 10-11hr - £2.20 11-12hr - £2.40	<1hr - £2.00 1-2hr - £2.00 2-3hr - £2.00 3-4hr - £4.00 4-5hr - £4.00 5-6hr - £4.00	<1hr - £0.20 1-2hr - £0.40 2-3hr - £0.60 3-4hr - £0.80 4-5hr - £1.00 5-6hr - £1.20 6-7hr - £1.40 7-8hr - £1.60 8-9hr - £1.80 9-10hr - £2.00 10-11hr - £2.20 11-12hr - £2.40
Guildford Park (M-S)	Pay and display	220	£6.00 per day £2.00 on Sat	No charge	No charge	No charge	£6.00 per day £2.00 on Sat	No charge	No charge	No charge
Shalford Park (M-F)	Pay and display	66	£4.00 per day		Not open		£4.00 per day		Not open	
Walnut Tree Close (M-F)	Pay and display	17	£4.00 per day		No charge		£4.00 per day		No charge	
subtotal		1220								

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
To be approved by Council				
Parks and Open Spaces				
Tennis-Stoke Park and Sutherland Memorial Park				
Adult per court, per hour	7.00	17.1%	8.00	14.3%
Floodlights only, per hour	6.00		6.00	0.0%
Junior (under 18) & concession price, per court, per hour	5.50	8.5%	5.50	0.0%
Mini Golf - Stoke Park				
Adults	5.00	5.5%	5.30	6.0%
Children	3.50	9.6%	3.70	5.7%
Family Ticket (2 adults and 3 under 16's)	14.00	6.2%	15.00	7.1%
Cricket: **All sites**				
Evening 17:00 hrs onwards - Adults (up to 4 hours)	96.00	11.8%	100.00	4.2%
Full Day - Adults (22 yrs)	129.00	11.3%	135.00	4.7%
Standard Pitch - Under 18's	42.00	12.5%	44.00	4.8%
Small Pitch - Junior teams under 15's	31.00	9.4%	33.00	6.5%
Football - All sites				
Grass football pitch 3 hours - U18's 11-a-side football	49.00	16.5%	52.00	6.1%
Grass football pitch 3 hours - Adult 11-a-side football	90.00	17.8%	95.00	5.6%
Grass football pitch 90 minutes - 9v9 football	32.00	11.3%	34.00	6.3%
Grass football pitch 90 minutes - 7v7 football	31.00	11.1%	33.00	6.5%
Grass football pitch 90 minutes - 5v5 football	30.00	14.6%	32.00	6.7%
Grass football training (no pitch use) 2 hours - Footbal training area	27.00	3.1%	29.00	7.4%
Rugby:				
Rugby pitch 2 hours - U18s rugby	49.00	16.5%	52.00	6.1%
Rugby pitch 2 hours - Adult rugby	90.00	17.8%	95.00	5.6%
Rugby training (no pitch use) 2 hours - Rugby training area	27.00	3.1%	29.00	7.4%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Netball - Stoke Park (Adult)	33.00	8.3%	35.00	6.1%
Netball - Stoke Park (School usage and U18**)**	16.00	6.5%	17.00	6.3%
Softball/Rounders - (Adult)	41.00	9.8%	44.00	7.3%
Softball/Rounders - (School and U18)	23.00	9.4%	25.00	8.7%
Grass Athletics Track - Stoke Park (Adult groups/Organisations) 2 hours	84.00	11.2%	89.00	6.0%
Grass Athletics Track - Stoke Park (Schools and U18 groups) 2 hours	47.00	11.7%	50.00	6.4%
Lacrosse:				
Stoke Park - Adults	84.00	11.2%	89.00	6.0%
Stoke Park - School usage and youth (Under 18's)	47.00	11.7%	50.00	6.4%
Event all Sites				
Price on application (minimum charge £50 per day)			Price on application	
Community events receive a 50% discount				
Charity and 100% fundraising events receive a 60% discount				
Circuses and Fun Fairs				
Per day on site including set up/dismantle (Shalford Common only)			Price on application	
Per day on site (all other sites) if onsite longer than 6 days receive a 5% discount				
Set up/dismantle fee per day				
Filming all Sites: -				
Per Event - Per Day on Site (Negotiable) Minimum £50 - Maximum £1,000 per day			Price on application	
Fitness Sessions			Price on application	
Forest school use of site - per child per visit	2.30	11.7%	2.30	0.0%
Car Parking Only All Sites:				
Per Day on Site (not in conjunction with event hire)			Price on application	
Commemorative Benches (All sites)			Price on application	

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Shalford Park:				
Camping and Caravanning (Club Use) - per unit per night	11.50	15.1%	11.85	3.0%
Chantries Camp Site: per person per day/night	10.50	10.5%	11.00	4.8%
Minimum charge for groups of 3 persons or under	35.00	16.7%	40.00	14.3%
Children age 4 to 16, scouts and affiliated groups (under 4s free)	5.00	5.3%	5.50	10.0%
Sutherland Memorial Park				
Astro Pitch 5-a-side				
All - per court per hour before 4pm (Weekdays and weekend)	10.00	5.9%	11.00	10.0%
5-a-side Football per court per hour including floodlights - Adults	48.00	11.8%	50.00	4.2%
5-a-side Football per court per hour including floodlights - Youth (Under 18's)	24.00	9.6%	25.00	4.2%
Balloon Flights				
Seasonal annual agreement paid in advance for take off rights per site	708.00	8.9%	730.00	3.1%
Greenark				
Commercial - Each hour or part	no longer available			
Community - Each hour or part	no longer available			
For regular users book 10 and receive 10% discount				

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Approved under Delegated Authority				
Guildford Crematorium				
Cremation Fees				
For the cremation of a child whose age at death did not exceed 18 years (incl medical referee fees)			No charge	
For the standard attended cremation of a person whose age at the time of death exceeded 18 years includes 30 minutes in chapel, use of computerised music system, cremation, medical referee fees, ashes container suitable for transportation and storage only , laying to rest of ashes in the Gardens of Remembrance at the crematorium. (New fee from 01.10.2023)	1049.00	7.6%	1140.00	8.7%
Saturday cremation (09:00 am - 12 noon)	1350.00	8.0%	1450.00	7.4%
Non attended service cremation	399.00	-19.4%	410.00	2.8%
Cancellation of diary booking with less than 48 hours notice and late delivery of papers	160.00	10.3%	168.00	5.0%
Service of double or additional length; per 45 minutes additional fee of:	315.00	14.5%	350.00	11.1%
Service which exceeds the allocated timeslot of 30 minutes	395.00	25.4%	415.00	5.1%
Cremation of a child on a Saturday (9am - 12 noon)			No charge	No charge
Cremation of Non Viable Foetus (NVF) (up to 24 weeks gestation)			No charge	No charge
Fee for exhuming ashes if not for re-internment within the grounds	140.00	12.0%	160.00	14.3%
Certificate of cremation / burial duplicate copy (previously under delegated authority)	25.00	100.0%	28.00	12.0%
Non standard attended cremation committal only (previously under delegated authority)	720.00	100.0%		

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

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Urns and Containers				
Ashes Container	27.00	8.0%	30.00	11.1%
Wooden Casket	90.00	12.5%	100.00	11.1%
Decorative Urns	138.00	10.4%	155.00	12.3%
Decorative keepsake urns	45.00	12.5%	50.00	11.1%
Scatter tubes	50.00	8.7%	55.00	10.0%
Child Scatter tubes	18.00	9.1%	20.00	11.1%
Deposit of Ashes				
has taken place elsewhere	125.00	8.7%	135.00	8.0%
separate scattering elsewhere.	60.00	15.4%	65.00	8.3%
Per split there after	15.00		18.00	20.0%
			10.00	
Memorials and Inscriptions				
Entries in the Book of Remembrance				
2 line entry	120.00	9.1%	130.00	8.3%
5 line entry	158.00	9.0%	170.00	7.6%
5 line entry with motif	248.00	7.8%	265.00	6.9%
8 line entry	195.00	8.3%	205.00	5.1%
8 line entry with motif	285.00	9.6%	300.00	5.3%
Motif	90.00	9.8%	95.00	5.6%
Replicas of entries in Book of Remembrance Memorial Cards				
2 line entry	46.00	9.5%	50.00	8.7%
5 line entry	72.00	9.1%	80.00	11.1%
5 line entry with motif	162.00	9.5%	175.00	8.0%
8 line entry	92.00	9.5%	98.00	6.5%
8 line entry with motif	182.00	9.6%	193.00	6.0%
Motif	90.00	9.8%	95.00	5.6%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Miniature Books of Remembrance				
2 line entry	105.00	9.4%	115.00	9.5%
5 line entry	150.00	9.5%	162.00	8.0%
5 line entry with motif	240.00	9.6%	257.00	7.1%
8 line entry	168.00	9.8%	178.00	6.0%
8 line entry with motif	258.00	9.8%	273.00	5.8%
Motif	90.00	9.8%	95.00	5.6%
Adoption of Rose Trees (including nameplate)				
Standard Roses (5 years) with aluminium plaque	670.00	8.9%	750.00	11.9%
Renewals after initial period:				
(a) 5 years	385.00	8.5%	420.00	9.1%
(b) 1 year	120.00	9.1%	130.00	8.3%
Trees 5 years with aluminium plaque	995.00	15.7%	1100.00	10.6%
Trees 10 years with aluminium plaque	1750.00	14.4%	1910.00	9.1%
Renewals after initial period:				
(a) 5 years	645.00	8.4%	700.00	8.5%
(b) 1 year	185.00	8.8%	205.00	10.8%
Plaques				
Aluminium Plaque with existing memorial	145.00	11.5%	160.00	10.3%
Granite Plaque (6 x 4) with existing memorial	335.00	8.1%	360.00	7.5%
Granite Plaque (7 x 5) with existing memorial	390.00	6.8%	420.00	7.7%
Additional artwork on granite plaque			on application	
Additional artwork on an aluminium plaque			on application	
Photo plaque on granite plaque			on application	
Seats				
Seats wooden 5 feet length (for a period of 10 years)	2190.00	9.8%	2300.00	5.0%
Replacement or additional seat plaque 6" x 2"	165.00	5.8%	175.00	6.1%
Photo plaque on a granite seat plaque				
Non standard motif on a granite seat plaque				
Standard motif on a granite seat plaque				
Restraining Charge	25.00	38.9%	30.00	20.0%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Memorial Vault - Sanctum including wooden casket				
(a) 10 year adoption	1735.00	9.8%	1900.00	9.5%
(b) 20 year adoption	2405.00	9.3%	2600.00	8.1%
(c) 30 year adoption	3310.00	9.8%	3590.00	8.5%
(d) 40 year adoption	4050.00	9.5%	4500.00	11.1%
(e) 50 year adoption	4945.00	9.9%	5400.00	9.2%
Per Letter after first 80 letters	4.00	9.6%	5.00	25.0%
Standard motif	270.00	10.2%	290.00	7.4%
Non standard motif			POA	
Photo plaque	160.00	10.3%	175.00	9.4%
Replacement Vault Tablet - Sanctum 2	455.00	9.6%	505.00	11.0%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	435.00	8.8%	490.00	12.6%
Memorial Vault - Renewal 5 years	405.00	8.0%	450.00	11.1%
Memorial Vault - Renewal 10 years	800.00	6.0%	910.00	13.8%
Memorial Vault - Renewal 20 years	1590.00	7.8%	1800.00	13.2%
Vase Blocks - 10 years				
Standard motif on a vase block	755.00	8.6%	800.00	6.0%
Non standard motif on a vase block	265.00	8.2%	280.00	5.7%
Photo plaque on a vase block	115.00	9.5%	125.00	8.7%
Renewal of Vase Block for 5 years	350.00	9.4%	386.00	10.3%
Replacement of Vase in memorial vaults	20.00	11.1%	25.00	25.0%
Replacement of Vase in vase blocks	20.00	11.1%	25.00	25.0%
Replacement vase for vaseblock vault	20.00	11.1%	25.00	25.0%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Sundials				
Sundial Tablets Older style- Lower Tablet (when available)	780.00	9.9%	855.00	9.6%
Sundial Tablets Older style- Middle Tablet (when available)	730.00	9.0%	800.00	9.6%
Sundial Tablets Older style- Top Tablet (when available)	665.00	9.0%	725.00	9.0%
Renewal of a Sundial Tablets Older style- Lower Tablet - 5 years	355.00	9.2%	390.00	9.9%
Renewal of a Sundial Tablets Older style- Middle Tablet - 5 years	355.00	9.2%	385.00	8.5%
Renewal of a Sundial Tablets Older style- Top Tablet - 5 years	355.00	9.2%	385.00	8.5%
Replacement sundial tablet	295.00	9.3%	325.00	10.2%
New Sundial Tablet first row for a period of 10 years	680.00	8.8%	735.00	8.1%
New Sundial Tablet second row for a period of 10 years	680.00	8.8%	735.00	8.1%
New Sundial Tablet third row for a period of 10 years	715.00	9.2%	780.00	9.1%
New Sundial Tablet forth row for a period of 10 years	725.00	9.0%	785.00	8.3%
New Sundial Tablet fifth row for a period of 10 years	775.00	9.2%	830.00	7.1%
Standard motif on a sundial tablet	260.00	8.3%	285.00	9.6%
Photo plaque on a sundial tablet				
Photo plaque under Sundial Tablets for 10 years - Newer style				
Non standard motif on a sundial tablet				
Children's Memorial Garden				
Rockery Boulder for 5 years	295.00	7.3%	315.00	6.8%
Memorial mushroom plaque for 5 years	295.00	7.3%	315.00	6.8%
Private gardens	1035.00	8.4%	1100.00	6.3%
Use of Chapel for Memorial Service (no cremation)	700.00	5.3%	765.00	9.3%
Reproduction of cremation certificate	28.00	7.7%	30.00	7.1%
Assistance with bearing of a coffin into the chapel	55.00	14.6%	60.00	9.1%
Assistance with bearing of a coffin into the chapel with no notice	85.00	30.8%	95.00	11.8%
Cemeteries				
Guildford, Stoke New and Old Cemeteries - Interments				
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-				
Unpurchased grave for a child			No charge	No charge
Unpurchased grave for an adult	550.00	3.7%	580.00	5.5%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Resident				
For the interment in a grave which has already been purchased - the body of a person exceeding 18 years				
To a single depth (5ft)	1025.00	9.5%	1150.00	12.2%
To a double depth (7ft)	1135.00	9.7%	1260.00	11.0%
Interment of cremated remains in a grave	435.00	8.8%	460.00	5.7%
Interment of cremated remains in cremated remains plots at Stoke Cemetery	435.00	8.8%	460.00	5.7%
For the interment in a grave which has already been purchased - the body of a child not exceeding 18 years				
To a single depth (5ft)			No charge	No charge
To a double depth (7ft)			No charge	No charge
Interment of cremated remains in a grave			No charge	No charge
Interment of cremated remains in cremated remains plots at Stoke Cemetery			No charge	No charge
The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of:	555.00	9.9%	600.00	8.1%
For every hour after 5pm	120.00	9.1%	132.00	10.0%
Exclusive Rights of Burial in Earthen Graves:				
Traditional and Lawn Section				
In an earthen grave 7ft 6 ins x 3ft 6 ins	2400.00	11.6%	2550.00	6.3%
In an earthen grave 6ft x 3ft - Children's section				
Extension of Exclusive Right of Burial for additional five years	400.00	12.7%	430.00	7.5%
Garden of Remembrance (Cremated remains)	685.00	8.7%	730.00	6.6%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.				

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Memorials				
Permit to erect a memorial	275.00	10.0%	295.00	7.3%
Permit to erect a vase with inscription	80.00	-33.3%	85.00	6.3%
Permit to erect a vase without inscription	10.00		12.00	20.0%
Permit to clean a memorial	20.00	25.0%	22.00	10.0%
Permit for added inscription which requires removal of stone	250.00	6.4%	275.00	10.0%
Permit for added inscription (done on site)	125.00	6.8%	135.00	8.0%
Permit for remedial repair	50.00	6.4%	55.00	10.0%
1 year permit to clean a memorial	15.00		20.00	33.3%
Memorial Vault - Sanctum				
(a) 10 year adoption	1735.00	9.1%	1900.00	9.5%
(b) 20 year adoption	2405.00	9.3%	2600.00	8.1%
(c) 30 year adoption	3310.00	9.8%	3500.00	5.7%
(d) 40 year adoption	4050.00	9.5%	4500.00	11.1%
(e) 50 year adoption	4945.00	9.9%	5300.00	7.2%
Per Letter after first 80 letters	4.00	9.6%	4.50	12.5%
Standard motif	265.00	8.2%	290.00	9.4%
Non standard motif				
Photo plaque	155.00	6.9%	165.00	6.5%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	435.00	8.8%	470.00	8.0%
Memorial Vault - Renewal 5 years	405.00	8.0%	435.00	7.4%
Memorial Vault - Renewal 10 years	825.00	9.3%	860.00	4.2%
Memorial Vault - Renewal 20 years	1605.00	8.8%	1680.00	4.7%
Miscellaneous Charges				
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:			POA	
Certified Copy of title deed of burial	25.75	3.0%	28.00	8.7%
Transfer of grant of right of burial	115.00	9.5%	125.00	8.7%
Addition of grave owners after rights issued/transferred	30.00	0.0%	35.00	16.7%
Digging fee for cremated remains when LTR takes place alongside fullbody burial in same grave at different depths	120.00		145.00	20.8%
Cemeteries - Non Residents of Guildford Borough Fees				

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Guildford, Stoke New and Old Cemeteries - Interments				
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-				
Unpurchased grave for a child			No charge	No charge
Unpurchased grave for an adult	546.30	3.0%	575.00	20.8%
For the interment in a grave in which a grave has already been purchased the body of a person exceeding 18 years				
To a single depth (5ft)	2050.00	9.3%	2250.00	9.8%
To a double depth (7ft)	2260.00	9.2%	2450.00	8.4%
Interment of cremated remains in a grave	870.00	8.6%	980.00	12.6%
Interment of cremated remains in the Garden of Remembrance	870.00	8.6%	980.00	12.6%
The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of:	510.00	8.5%	540.00	5.9%
For every hour after 5pm	125.00	13.6%	140.00	12.0%
Exclusive Rights of Burial in Earthen Graves:				
Traditional and Lawn Section				
In an earthen grave 7ft 6 ins x 3ft 6 ins	4600.00	9.4%	4950.00	7.6%
In an earthen grave 6ft x 3ft - Children's section	2100.00	9.1%	No charge	No charge
Extension of Exclusive Right of Burial for additional five years	775.00	9.2%	850.00	9.7%
Garden of Remembrance (Cremated remains)	1365.00	9.2%	1460.00	7.0%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.				

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Obitus				
Webcasts				
Webcast live only	32.50	8.3%	35	7.0%
Webcast of funeral service - 28 day viewing and free download	50.00	11.1%	55	7.0%
Keepsake copy of webcast first copy	55.00	10.0%	60	7.0%
Keepsake copy of webcast second copy	27.00	8.0%	30	7.0%
Keepsake copy of visual tribute (first copy)	55.00	10.0%	60	7.0%
Keepsake copy of visual tribute (second copy)	27.00	8.0%	29	7.0%
Downloadable of Pro tribute Package only (keep forever)	11.00	10.0%	12	7.0%
Visual Tributes				
single photo (first)	free of charge		No charge	7.0%
single photo per photo thereafter	13.50	12.5%	15	7.0%
Slideshow upto and including 25 images	45.00	18.4%	50	7.0%
family made	22.00	22.2%	25	7.0%
Pro tribute (upto and including 25 images and personalised title presented as video)	77.00	10.0%	85	7.0%
Tribute misc				
Each extra 25 photos (slideshow and protribute packages_)	22.50	7.1%	25	7.0%
Extra work	22.50	7.1%	25	7.0%
Services for young people aged 18 and under - live webcast, single photo and webcast alternatively if another service chosen credit of these items may be applied.	free of charge		No charge	
Themed Tribute			105	7.0%
keepsake item			175	7.0%
Bespoke Tribute			425	7.0%
Keepsake Video Book displaying webcast or visual tribute or both			105	7.0%
tribute or both and one keepsake DVD			145	7.0%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
To be approved by Council				
Statutory Planning Fees can be found by referring to current government legislation.				
The Planning Portal is the UK online planning and building regulations resource- http://www.planningportal.gov.uk/planning/planningpolicyandlegislation/currentlegislation/statutoryinstruments				
Decision Notices				
Planning Decisions (TP3s) - post 2005 on website	22.50	4.7%	24.00	6.7%
Planning Appeal Decisions - post 2005 on website	22.50	4.7%	24.00	6.7%
Planning Legal agreements (Section 106 etc.) - if available on website (New)	22.50	4.7%	24.00	6.7%
Tree Preservation Orders (if available on website)	22.50	4.7%	24.00	6.7%
BC Completion Certificate pre 2001	22.50	4.7%	24.00	6.7%
BC Completion Letter pre 1991	22.50	4.7%	24.00	6.7%
Section 106 Agreements monitoring fee	800.00	3.6%	840.00	5.0%
Self-build and Custom Housebuilding Register				
Initial entry on the register	29.00	3.6%	31.00	6.9%
Initial entry fee for additional members of an Association	12.00	4.3%	13.00	8.3%
Initial entry onto Part 2 of the register	12.00	4.3%	13.00	8.3%
Annual fee for remaining on Part 1 and Part 2 the register	12.00	4.3%	13.00	8.3%
All charges are per document				
If the above information is not available on our website the photocopying charges listed below will apply:-				
Photocopy Charges				
Plan Copying(A2-A0)	15.50	3.3%	16.50	6.5%
Photocopying Charges (black and white A4)	0.60	20.0%	0.70	16.7%
Photocopying Charges (black and white A3)	0.60	20.0%	0.80	33.3%
Photocopying Charges (colour A4)	1.10	10.0%	1.20	9.1%
Photocopying Charges (colour A3)	1.10	10.0%	1.40	27.3%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Supply of information to professional organisations				
General enquiries (one off charge)	80.00	3.9%	85.00	6.3%
Tables A,B, C, (domestic) D and E (commercial) for Building Control fees are available on the web site or from the Building Control office				
Pre Application Advice				
Householder and new dwellings				
Category: BRONZE				
Householder	85.50	3.0%	90.00	5.3%
1-4 dwellings	265.80	3.0%	280.00	5.3%
5-9 dwellings	530.50	3.0%	560.00	5.6%
10-49 dwellings	796.20	3.0%	840.00	5.5%
Category: SILVER				
Householder	191.60	3.0%	210.00	9.6%
1-4 dwellings	478.00	3.0%	510.00	6.7%
5-9 dwellings	742.70	3.0%	780.00	5.0%
10-49 dwellings	1060.90	3.0%	1120.00	5.6%
50+ dwellings	2652.30	3.0%	2900.00	9.3%
Category: GOLD				
Householder				
1-4 dwellings				
5-9 dwellings	1273.10	3.0%	1340.00	5.3%
10-49 dwellings	1857.10	3.0%	1950.00	5.0%
50+ dwellings	5304.50	3.0%	5570.00	5.0%
Category: PLATINUM				
Householder	Not applicable			
1-4 dwellings	Not applicable			
5-9 dwellings	Not applicable			
10-49 dwellings	Price on application			
50+ dwellings	Price on application			

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Extras				
Additional plans				
Householder	Not applicable	0.0%	60.00	
1-4 dwellings	179.30	3.0%	190.00	6.0%
5-9 dwellings	356.40	3.0%	380.00	6.6%
10-49 dwellings	599.50	3.0%	630.00	5.1%
50+ dwellings	897.20	3.0%	950.00	5.9%
Other (listed building, advertisements, agricultural, telecommunications and trees)	179.30	3.0%	190.00	6.0%
Additional meetings				
Householder	Not applicable		60.00	
1-4 dwellings	356.40	3.0%	380.00	6.6%
5-9 dwellings	478.00	3.0%	510.00	6.7%
10-49 dwellings	716.90	3.0%	760.00	6.0%
50+ dwellings	954.90	3.0%	1020.00	6.8%
Other (listed building, advertisements, agricultural, telecommunications and trees)	356.40	3.0%	380.00	6.6%
Commercial and other development				
Category: BRONZE				
Commercial up to 250 sq metres	179.30	3.0%	200.00	11.5%
Commercial up to 500 sq metres	297.70	3.0%	330.00	10.8%
Commercial up to 1000 sq metres	478.00	3.0%	530.00	10.9%
Commercial up to 2500 sq metres	599.50	3.0%	650.00	8.4%
Commercial over 2500 sq metres	897.20	3.0%	970.00	8.1%
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable			
Category: SILVER				
Commercial up to 250 sq metres	297.70	3.0%	320.00	7.5%
Commercial up to 500 sq metres	424.40	3.0%	460.00	8.4%
Commercial up to 1000 sq metres	780.80	3.0%	830.00	6.3%
Commercial up to 2500 sq metres	897.20	3.0%	970.00	8.1%
Over 2500 sq metres	1220.60	3.0%	1300.00	6.5%
Other (listed building, advertisements, agricultural, telecommunications and trees)	424.40	3.0%	460.00	8.4%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Category: GOLD				
Commercial up to 250 sq metres				
Commercial up to 500 sq metres	897.20	3.0%	1000.00	11.5%
Commercial up to 1000 sq metres	1023.90	3.0%	1100.00	7.4%
Commercial up to 2500 sq metres	1803.60	3.0%	1950.00	8.1%
Over 2500 sq metres	2387.60	3.0%	2600.00	8.9%
Other (listed building, advertisements, agricultural, telecommunications and trees)	954.90	3.0%	1030.00	7.9%
Category: PLATINUM				
Commercial up to 250 sq metres	Not applicable		Not applicable	
Commercial up to 500 sq metres	Not applicable		Not applicable	
Commercial up to 1000 sq metres	Not applicable		Not applicable	
Commercial up to 2500 sq metres	Not applicable		Not applicable	
Over 2500 sq metres	Price on application		Price on application	
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable		Not applicable	
Extras				
Additional plans				
Commercial up to 250 sq metres	89.70	3.1%	97.00	8.1%
Commercial up to 500 sq metres	179.30	3.0%	190.00	6.0%
Commercial up to 1000 sq metres	356.40	3.0%	390.00	9.4%
Commercial up to 2500 sq metres	599.50	3.0%	650.00	8.4%
Commercial over 2500 sq metres	897.20	3.0%	950.00	5.9%
Other (listed building, advertisements, agricultural, telecommunications and trees)	179.30	3.0%	190.00	6.0%
Meeting				
Commercial up to 250 sq metres				
Commercial up to 500 sq metres	356.40	3.0%	390.00	9.4%
Commercial up to 1000 sq metres	478.00	3.0%	520.00	8.8%
Commercial up to 2500 sq metres	716.90	3.0%	760.00	6.0%
Commercial over 2500 sq metres	954.90	3.0%	1020.00	6.8%
Other (listed building, advertisements, agricultural, telecommunications and trees)	356.40	3.0%	380.00	6.6%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
No charge will be made for:				
- advice given during the process of a planning application				
- advice given to non- profit making organisations/ charities/ hospitals/ *statutory bodies (up to the point where professional agents are appointed)				
- advice on proposals relating to disabled living				
Parish councils will receive 50% off the fee				
* a statutory body is based on the definition set out in the General Development Order				
Planning performance agreements				
For major applications only (residential or commercial)				
Deposit	500.00	0.0%	550.00	10.0%
Subsequent costs			Price on application	
Charges for tree advice- for a site visit and written response				
Pre- application advice on works to trees (TPO and conservation area)				
First hour	90.70	3.1%	100.00	10.3%
Per subsequent hours	59.80	3.1%	65.00	8.7%
General tree advice				
First hour	90.70	3.1%	100.00	10.3%
Per subsequent hours	59.80	3.1%	65.00	8.7%
Tree survey on proposed development site				
Per hour	90.70	3.1%	100.00	10.3%
High Hedges	636.60	3.0%	690.00	8.4%

Conservation Area Character Appraisals and Landscape Character Assessments are available to download for free on our website- price on application for printed copies

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Local Plan Documents				
Examination Documents				
Guildford borough Local Plan Strategy and Sites Adopted 25th April 2019	50.50	3.1%	53.00	5.0%
Submission Local Plan: strategy and sites - Main Modifications (2018)	46.00	2.2%	49.00	6.5%
Schedule of Main Modifications to the Plan (2018)	16.00	3.2%	17.00	6.3%
Schedule of Minor Modifications to the Plan (2018)	16.00	3.2%	17.00	6.3%
Submission Documents				
Submission Local Plan: strategy and sites (2017)	46.50	3.3%	49.00	5.4%
Guildford borough Proposed Submission Local Plan: strategy and sites (2016)	46.50	3.3%	49.00	5.4%
Schedule of proposed minor modifications to Submission Local Plan (2017)	16.00	3.2%	17.00	6.3%
Track changed version of Submission Local Plan (2017)	46.50	3.3%	49.00	5.4%
Sustainability Appraisal (SA) and Non-technical Summary (2017)	28.00	1.8%	30.00	7.1%
Habitat Regulations Assessment (HRA) (2017)	17.50	2.9%	19.00	8.6%
Equalities Impact Assessment (EIA) Screening (2014)	3.50	7.7%	4.00	14.3%
Local Development Scheme (LDS) (2017)	3.50	7.7%	4.00	14.3%
Consultation Statement (2017)	143.20	3.0%	155.00	8.2%
Community Involvement in Planning (2013)	9.50	2.7%	10.00	5.3%
Monitoring Report 2016/17 (2017)	9.50	2.7%	10.00	5.3%
Housing				
West Surrey Strategic Housing Market Assessment (SHMA) (2015)	35.00	2.9%	37.00	5.7%
West Surrey SHMA - Guildford Summary Report (2015)	10.00	5.3%	11.00	10.0%
West Surrey SHMA: Guildford Addendum Report 2017 (2017)	16.50	3.1%	18.00	9.1%
Review of Housing Needs Evidence across West Surrey HMA (2017)	10.00	5.3%	11.00	10.0%
Traveller Accommodation Assessment (TAA) (2017)	17.50	2.9%	19.00	8.6%
Land Availability Assessment (LAA) (2017)	78.00	2.6%	82.00	5.1%
Land Availability Assessment (LAA) (2016)	78.00	2.6%	82.00	5.1%
Employment				
Employment Land Needs Assessment (ELNA) (2017)	17.50	2.9%	18.50	5.7%
West Surrey Functional Economic Market Area (FEMA) (2016)	3.50	7.7%	4.00	14.3%
Retail and Leisure Update Study (2014)	33.00	3.1%	35.00	6.1%
Guildford Retail and Leisure Study Addendum (2017)	10.00	5.3%	11.00	10.0%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Protecting and Design				
Historic Environment Information (2016)	48.00	3.2%	51.00	6.3%
Environmental Sustainability and Climate Change Study (2013)	13.00	4.0%	14.00	7.7%
Assessment of the Viability of Carbon Emission Targets for New Builds (2017)	28.00	3.7%	30.00	7.1%
Guildford Renewable Energy Mapping Study (2015)	16.00	3.2%	17.00	6.3%
Green Belt and Countryside Study , Volumes I – VI	366.00	3.0%	385.00	5.2%
Green Belt and Countryside Study - volume I	31.00	3.3%	33.00	6.5%
Green Belt and Countryside Study - volume II	71.00	2.9%	75.00	5.6%
Green Belt and Countryside Study - volume II appendix III	135.50	3.0%	143.00	5.5%
Green Belt and Countryside Study - volume III	61.00	3.4%	65.00	6.6%
Green Belt and Countryside Study - volume III appendix VI	53.50	2.9%	58.00	8.4%
Green Belt and Countryside Study - volume IV	48.50	3.2%	51.00	5.2%
Green Belt and Countryside Study - volume V	137.00	3.0%	144.00	5.1%
Green Belt and Countryside Study - volume VI	5.50	4.8%	6.00	9.1%
Landscape Character Assessment (4 volumes) (2007):				
- Volume 1 - Rural Assessment	28.00	3.7%	30.00	7.1%
- Volume 2 - Rural-Urban Fringe Assessment	22.00	2.3%	25.00	13.6%
- Volume 3 - Townscape Assessment	22.00	2.3%	25.00	13.6%
- Volume 4 - Countryside Character Areas	5.50	4.8%	6.00	9.1%
Surrey Hills AONB Areas of Search Natural Beauty Evaluation Report (2013)	11.50	4.5%	13.00	13.0%
Thames Basin Heaths Special Protection Area Avoidance Strategy Supplementary Planning Document (2017)	11.50	4.5%	14.00	21.7%
Sites of Nature Conservation Importance (SNCI) Surveys 2004-2007	10.00	5.3%	11.00	10.0%
SNCI Survey Report – Former Wisley airfield (2016)	11.50	4.5%	14.00	21.7%
SNCI Survey Report – Little Flexford (2016)	9.50	2.7%	10.00	5.3%
Strategic Flood Risk Assessment (SFRA)				
- Level 1 SFRA: Summary Report (2016)	6.00	4.3%	7.00	16.7%
- Level 1 SFRA: Volume 1 - Final Decision Support	13.50	3.8%	15.00	11.1%
- Level 1 SFRA: Volume 2 - Technical Report (2016)	12.00	4.3%	13.00	8.3%
- Level 1 SFRA: Flood risk Sequential and Exception Test (2017)	10.50	5.0%	12.00	14.3%
- Level 2 SFRA (2016)	25.00	2.0%	26.50	6.0%
- Level 2 SFRA: 2017 Addendum (2017)	9.50	2.7%	10.00	5.3%
Surface Water Management Plan (Six documents)	22.00	2.3%	24.00	9.1%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Infrastructure and Delivery				
Guildford borough Infrastructure baseline (Guildford Borough Council, July 2013)	27.00	3.8%	28.50	5.6%
Guildford borough Infrastructure Delivery Plan (IDP) (Guildford Borough Council, December 2017)	16.50	3.1%	17.50	6.1%
Local Plan and CIL Viability Study (2016)	16.50	3.1%	17.50	6.1%
Local Plan Viability Update (2017)	10.00	5.3%	11.00	10.0%
Guildford Education Review (2016)	6.00	4.3%	6.50	8.3%
Open Space, Sports and Recreation Assessment (2017)	55.00	2.8%	58.00	5.5%
Guildford Assessment of Sites for Amenity Value (2017)	20.00	2.6%	21.00	5.0%
Settlement Hierarchy Study (2014)	24.00	2.1%	26.00	8.3%
Settlement Profiles (2013)	21.00	2.4%	23.00	9.5%
Water Quality Assessment (2017)	9.50	2.7%	10.00	5.3%
Transport				
Guildford Borough Transport Strategy 2017 (December 2017)	11.50	4.5%	13.00	13.0%
Strategic Highway Assessment for the Guildford borough Proposed Submission: strategy and sites (various years)	19.50	2.6%	20.50	5.1%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development sc	16.50	3.1%	17.50	6.1%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development sc	16.50	3.1%	17.50	6.1%
Guildford Town and Approaches Movement Study (2015)	66.00	3.1%	70.00	6.1%
Guildford Town Centre Parking Strategic Review (2013)	16.50	3.1%	17.50	6.1%
A Sustainable Parking Strategy for Guildford 2016 (Guildford Borough Council, 2016)	11.00	2.3%	12.00	9.1%
Parking Business Plan 2017 (Guildford Borough Council, 2017)	11.00	2.3%	12.00	9.1%
Draft Guildford Town Centre Vision (Allies and Morrison Urban Practitioners, June 2014)	16.50	3.1%	17.50	6.1%
Guildford Town Centre and Hinterland Masterplan Report: Final draft report for consultation (various years)	28.00	3.7%	29.50	5.4%
Guildford Town Centre Regeneration Strategy 2017 (Guildford Borough Council, January 2017)	16.50	3.1%	17.50	6.1%
Guildford Local Cycling Plan (Surrey County Council, undated circa 2015) [Accessed 6/12/2017]	16.50	3.1%	17.50	6.1%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Other Supporting Documents				
Habitat Regulations Assessment (HRA) Screening (2013)	10.50	2.4%	12.00	14.3%
Sustainability Appraisal (SA) Scoping Report (2013)	11.00	2.3%	12.00	9.1%
SA site assessment criteria	5.50	4.8%	6.00	9.1%
Guildford borough Local Plan Strategy and Sites Issues and Options (2013)	33.00	3.1%	35.00	6.1%
Community Engagement Statement (Issues and Options) (2014)	11.00	2.3%	12.00	9.1%
Initial Sustainability Appraisal (SA) (2013)	27.00	2.9%	29.00	7.4%
Statement of Community Engagement (draft Local Plan) (2014)	5.50	4.8%	6.00	9.1%
Interim Sustainability Appraisal (SA) Report (2014)	16.50	3.1%	17.50	6.1%
Sustainability Appraisal (SA) of the Guildford borough Local Plan (2016)	27.00	2.9%	29.00	7.4%
Sustainability Appraisal (SA) non-technical summary (2016)	3.50	7.7%	4.00	14.3%
Guildford Local Plan HRA update May 2018	16.50	3.1%	17.50	6.1%
Neighbourhood Plans				
Burpham Neighbourhood Plan	16.50	3.1%	17.50	6.1%
Effingham Neighbourhood Plan	16.50	3.1%	17.50	6.1%
East Horsley Neighbourhood Plan	16.50	3.1%	17.50	6.1%
Topic Papers				
Topic paper: Duty to Cooperate (2017)	73.00	2.8%	77.00	5.5%
Topic paper: Transport (2017)	24.00	5.5%	26.00	8.3%
Topic paper: Green Belt and Countryside (2017)	15.50	3.3%	16.50	6.5%
Topic paper: Housing Delivery (2017)	12.50	2.0%	13.50	8.0%
Topic paper: Employment (2017)	13.40	3.1%	14.50	8.2%
Topic paper: Retail and Town Centre (2017)	5.00	5.3%	5.50	10.0%
Topic paper: Leisure and Tourism (2017)	18.00	2.9%	19.00	5.6%
Topic paper: Housing Type Tenure and Mix (2017)	2.00	0.0%	2.50	25.0%
Topic paper: Flood Risk (2017)	15.50	3.3%	16.50	6.5%
Topic paper: Environmental Sustainability and Climate Change (2017)	4.50	5.9%	5.00	11.1%
Topic paper: Green and Blue Infrastructure (2017)	4.00	6.7%	5.00	25.0%
Supplementary Planning Guidance				
Residential Extensions and Alterations SPD	21.00	2.4%	23.00	9.5%
Thames Basin Heath Special Protection Area Avoidance Strategy (2017) SPD	10.50	2.4%	12.00	14.3%
Guildford Town Centre Views SPD (2019)	24.50	3.2%	26.00	6.1%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Development Briefs and Other Strategies				
Thames Basin Heath Special Protection Area Avoidance Strategy (2017)	10.50	2.4%	12.00	14.3%
Postage and packing				
Small documents	2.00	14.3%	2.50	25.0%
Large documents	4.50	5.9%	5.00	11.1%
Draft Local Plan- first class	18.00	4.3%	19.00	5.6%
Draft Local Plan- second class	15.80	3.6%	17.00	7.6%
The above Local Plan documents are available to download for free on our website				
Land Charges Search Fees -(VAT introduced on 31st March 2017)				
Basic Fee- domestic	194.60	2.9%	216.00	11.0%
LLC1 Only- domestic	40.00	0.0%	45.00	12.5%
Con 29R Only- domestic	154.60	3.6%	163.00	5.4%
Basic Fee- commercial	261.60	2.1%	280.00	7.0%
LLC1 Only- commercial	60.00	0.0%	65.00	8.3%
Con 29R Only- commercial	201.60	2.8%	212.00	5.2%
Con29 Additional Questions- Surrey County Council	23.00	9.5%	25.50	10.9%
Con29 Additional Questions- Guildford Borough Council	12.00	0.0%	13.00	8.3%
Assisted Personal Search	32.00	0.0%	34.00	6.3%
Assisted Con29R Search (Per Question)	7.20	0.0%	8.00	11.1%
Additional Parcels of Land	16.80	0.0%	18.00	7.1%
Additional Questions	48.00	0.0%	55.00	14.6%
Street Naming and Numbering				
New Road	0		300.00	
1st plot new address	0		300.00	
Plots 2-20	0		50.00	
Plot 21+	0		50.00	
Additional Building Name	0		150.00	
New/change to property name	60	16.5	150.00	150.0%
Removing a name	60		63.00	

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2023-24 from 1st April 2024	Increase
Guildford Lido - To be approved by Council				
Standard				
Adult	7.20	4.3%	7.60	5.6%
Junior	5.40	3.8%	5.70	5.6%
Concessions	5.40	3.8%	5.70	5.6%
Family	22.70	3.2%	23.90	5.3%
Off Peak				
Adult	5.90	3.5%	6.20	5.1%
Junior	4.30	5.0%	4.50	4.6%
Concessions	4.30	5.0%	4.50	4.6%
Family	18.10	3.4%	19.00	5.0%
Season Tickets				
Adult	154.50	3.0%	165.00	6.8%
Junior	118.50	3.0%	124.50	5.1%
Student	118.50	3.0%	124.50	5.1%
Senior citizen	97.90	3.1%	103.00	5.2%
Concessionary Groups - All Times	4.30	5.0%	4.50	4.6%

The concessionary rate applies to admission for groups from registered charities, schools and non profit organisations.
These only apply if the booking was made in advance.

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
To be approved by Council				
Education Services				
Discovery Boxes	11.62	0.03	12.50	0.08
Adult education, History of Guildford class				
Twenty sessions (subject to change depending on course requirements)	118.50	3.0%	130.00	9.7%
Exhibition Space Hire, Heritage Buildings				
Guildford House				
Brew House - one week hire	180.30	3.0%	195.00	8.2%
Main House - Garden Room - three week hire	391.40	3.0%	420.00	7.3%
Main House - First Floor: Pine Room, Study, Landing, Powell Room - three week hire	885.80	3.0%	950.00	7.2%
Main House exhibitions are open to the public for a minimum of three weeks (currently 5 days per week) , with the first and last day of the exhibition normally being on a Saturday.				
Private View of Exhibitions				
Main House, Daytime 12.00pm - 2.00pm	216.30	3.0%	235.00	8.6%
Main House, Evening 7.00pm - 9.00pm	371.40	3.0%	400.00	7.7%
Brew House, Saturdays 12.00pm - 2.00pm	84.90	3.0%	95.00	11.9%
Full House - all rooms	1277.20	3.0%	1,400.00	9.6%
Venue Hire, Heritage Buildings				
The Brew House, Guildford House				
Weekdays and Saturdays				
Half Day, 9.00am -12.00pm or 1.00pm - 4.00pm	123.60	3.0%	135.00	9.2%
Full Day, 9.00am - 4.00pm	231.80	3.0%	250.00	7.9%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Guildford Castle				
Day Hire				
(a) Weekdays				
Half day, 9.00am - 1.00pm or 1.00pm - 5.00pm	236.90	3.0%	255.00	7.6%
Full day, 9.00am - 5.00pm	422.30	3.0%	455.00	7.7%
Evenings, 5.00pm - 9.30pm	448.10	3.0%	480.00	7.1%
Available October - March				
(b) Weekends				
Saturday or Sunday, 9am - 1pm or 1pm - 5pm	257.50	3.0%	280.00	8.7%
Saturday or Sunday, 9am - 5pm	468.70	3.0%	505.00	7.7%
Evenings, 5.00pm - 9.30pm	479.00	3.0%	515.00	7.5%
Guildford Museum				
Daily rates (Museum meeting room+)				
Half Day 9.00am -12.00pm or 1.00pm - 4.00pm	61.80	3.0%	70.00	13.3%
Full day 9.00am - 4.00pm	113.30	3.0%	125.00	10.3%
Guildhall				
Guildhall whole building				
(a) Weekdays				
Morning, 9.00am - 1.00pm	360.50	3.0%	390.00	8.2%
Afternoon, 1.00pm - 5.00pm	360.50	3.0%	390.00	8.2%
Whole Day, 9.00am - 5.00pm	607.70	3.0%	655.00	7.8%
Evening, 5.00pm - 10.00pm	515.00	3.0%	555.00	7.8%
(b) Weekends				
Saturday 9.00am - 5.00pm	638.60	3.0%	685.00	7.3%
Saturday 5.00pm - 12.00am	638.60	3.0%	685.00	7.3%
Sunday 9.00am - 5.00pm	638.60	3.0%	685.00	7.3%
Sunday 5.00pm - 12.00am	638.60	3.0%	685.00	7.3%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
<u>Guildhall Court Room</u>				
Weekdays				
Morning, 9.00am - 1.00pm	257.50	3.0%	280.00	8.7%
Afternoon, 1.00pm - 5.00pm	257.50	3.0%	280.00	8.7%
Whole Day, 9.00am - 5.00pm	494.40	3.0%	530.00	7.2%
Evening, 5.00pm - 10.00pm	412.00	3.0%	445.00	8.0%
<u>Guildhall Council Chamber</u>				
Weekdays				
Morning, 9.00am - 1.00pm	257.50	3.0%	280.00	8.7%
Afternoon, 1.00pm - 5.00pm	257.50	3.0%	280.00	8.7%
Whole Day, 9.00am - 5.00pm	494.40	3.0%	530.00	7.2%
Evening, 5.00pm - 10.00pm	412.00	3.0%	445.00	8.0%
All rooms excess charge for evening hire after 10.00pm (per hour)	82.40	3.0%	90.00	9.2%
Admission Charges, Guildhall				
Adult admission	2.30	4.4%	2.50	8.9%
Child admission (under 5s free)	1.30	8.0%	1.50	15.7%
Admission Charges, Guildford Castle				
Adult admission	3.90	5.4%	4.50	15.4%
Child admission (under 5s free)	2.30	4.4%	2.50	8.9%
Family ticket Guildford castle				
Family ticket to cover 2 adults and 2 children	11.40	3.6%	12.00	5.3%

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase
Image licensing and reproductions				
Reproduction fees for the use of images from Guildford Borough Council's heritage collections. These fees are for the use of the image, not for the costs of producing it. The fees are for the reproduction of one image.				
Academic journals and research publications that are not for profit	11.40	3.6%	15.00	31.6%
Commercial publications with print runs up to 1,000 copies, one country / language	32.00	3.2%	35.00	9.4%
Commercial publications with print runs up to 10,000 copies, one country / language	52.60	3.1%	60.00	14.1%
Commercial publications with print runs over 10,000 copies, one country / language	74.20	3.1%	80.00	7.8%
Books and magazine covers	106.10	3.0%	115.00	8.4%
Television, one production, one country and one language	106.10	3.0%	115.00	8.4%
Digital use for academic use that is not for profit	11.40	3.6%	15.00	31.6%
Digital use commercial	11.40	3.6%	115.00	908.8%
All requests are subject to a £15 administration fee. 20% discount will be applied where more than five images are used.	12.00		15.00	25.0%

*= includes VAT at 20%

	2023-24 from 1st April 2023	2024-25 from 1st April 2024	% Inc
To be approved by Council			
Farmers Market			
Pitch Charge (per market, per linear metre of frontage)	11.90	12.5	5%
Standard charges			
10 x 4ft boards	58.50	65.00	11%
Band B posters	47.50	52.00	9%
Non commercial advertising			
10 x4ft banners	51.00	54.00	6%
Band A posters	n/a	N/A	
Band B posters	39.00	41.00	5%
High Street Banner			
Commercial			
Upper High Street - Rental per space - Rental per week	325.00	300.00	-8%
Upper High Street - Rental per space - Rental subsequent week	119.00	150.00	26%
Lower High Street - Rental per space - Rental per week	325.00	350.00	8%
Lower High Street - Rental per space - Rental subsequent week	119.00	150.00	26%
Non commercial			
Upper High Street - Rental per space - Rental per week	n/a	200.00	
Upper High Street - Rental per space - Rental subsequent week	n/a	50.00	
Lower High Street - Rental per space - Rental per week	n/a	250.00	
Lower High Street - Rental per space - Rental subsequent week	n/a	50.00	
North Street Rotunda			
Commercial charges for full day			
-Weekday	100.00	110.00	10%
- Saturday	150.00	165.00	10%
- Sunday	100.00	110.00	10%
Non commercial charges for full day			
-Weekday	50.00	55.00	10%
- Saturday	75.00	82.50	10%
- Sunday	50.00	55.00	10%

*= includes VAT at 20%

	2023-24 from 1st April 2023	2024-25 from 1st April 2024	
To be approved by Council			
House Purchase Fees			
Right to Buy			
Engrossment Fee	93.40	96.24	3.0%
Consent - Application in Advance			
Consent - Retrospective Application			
Leasehold Enquires	140.00	144.16	3.0%
(b) Equity Share			
Lease Surrender	119.90	250.00	108.5%
Road Closure Application Fee	159.10	175.00	10.0%

This is the minimum standard charge which includes the cost of basic laminated signage only. The actual amount payable is subject to any additional signage costs incurred.

Council Minutes Booklet and Committee Agendas - Annual Subscription
- All available on line free of charge - Hard copies available but will charged at cost to GBC
Business organisations (per committee)
Amenity organisations and private individuals
Parish Councils (first copy free)
Individual Agendas
Constitution
Annual Report and Statement of Accounts - supply to Borough Residents
Annual Report and Statement of Accounts - supply to organisations and individuals outside the Borough

Section 106 Agreements			
Suitable Access to Natural Green Space (SANGS) Section 106 agreement or Unilateral Undertaking	772.50	850.00	10.0%
Section 106 agreement or Unilateral Undertaking (development up to 25 dwellings)	1179.40	1300.00	10.2%
Section 106 agreement or Unilateral Undertaking (development exceeding 25 up to 50 dwellings)	2343.30	2500.00	6.7%
Section 106 agreement or Unilateral Undertaking (development exceeding 51 up to 100 dwellings)	Minimum of £2,275	Minimum of 2500	9.9%
Section 106 agreement or Unilateral Undertaking (development exceeding 101 up to 199 dwellings)	Minimum of £2,275	Minimum of 2500	9.9%
Section 106 agreement (Major applications, small scale, large scale)	Minimum of £2,275	Minimum of 2500	9.9%

**this is presented as a general guide, in each instance the Council will provide a pre-estimate of the likely time and costs, and will seek its costs in relation to actual work completed on the basis of an officer fee of £180 per hour.

*= includes VAT at 20%

	2023-24 from 1st April 2023	2024-25 from 1st April 2024	
Property Transactions – Legal Charges			
Grant of new lease up to 100 sq. m	Minimum £555**	Minimum of £650	17.1%
Grant of new lease 101 to 300 sq. m	Minimum £760**	Minimum of £870	14.5%
Grant of new lease 301 – 700 sq. m	Minimum £875**	Minimum of £1000	14.3%
Grant of new lease over 700 sq. m	Minimum £1,320**	Minimum of £1550	17.4%
Agreement of new lease up to 100 sq. m		Minimum of £1150	
Agreement of new lease 101 to 300 sq. m		Minimum of £1370	
Agreement of new lease 301 – 700 sq. m		Minimum of £1500	
Agreement of new lease over 700 sq. m		Minimum of £2050	
Renewal of lease up to 100 sq. m	Minimum £430**	Minimum of £500	16.3%
Renewal of lease 101 to 300 sq. m	Minimum £555**	Minimum of £650	17.1%
Renewal of lease 301 – 700 sq. m	Minimum £660**	Minimum of £780	18.2%
Renewal of lease over 700 sq. m	Minimum £875**	Minimum of £1000	14.3%
Dead of surrender		Minimum of £300	
Deed of Variation	Minimum £575**	Minimum of £680	18.3%
Rent Deposit Deed	Minimum £220**	Minimum of £250	13.6%
Licence to Assign/Alter	Minimum £555**	Minimum of £650	17.1%
Licence to Underlet	Minimum £660**	Minimum of £780	18.2%
Lease extension		Minimum of £1200	
Grant of new Licence for grazing/garden/access	Minimum £495**	Minimum of £570	15.2%
Renewal of Licence for grazing/garden/access	Minimum £280**	Minimum of £320	14.3%
Grant of new Licence for scaffolding/development compound	Minimum £495**	Minimum of £570	15.2%
Renewal of Licence for scaffolding/development compound	Minimum £380**	Minimum of £420	10.5%
Grant of Easement/wayleave	Minimum £555**	Minimum of £650	17.1%
Agreement of Easement/weyleave			
Sale of freehold	Minimum £760**	Minimum of £870	14.5%
Letters of consent in regard to assignment of a lease		£30	
Copies of documents (agreements/deeds of variation)		£30	
Removal of a restriction from land registry title (RX4)		£30	
Land registry admin fee		£30	

** These are the minimum standard charges. Protracted or complex cases can exceed these figures in which case the Council's

*= includes VAT at 20%

	2023-24 from 1st April 2023	2024-25 from 1st April 2024
reasonable legal costs are payable.		
Management Packs		
LPE1		£300
Expedited service (pack produced in less than 10 days)		£400
Additional Enquiries		from £50
Notice		£35

Approved by the Government

Electoral Register Sales
Fees are set by Statute and are available on request.

*= includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
To be approved by Council				
Temporary Accommodation Fees				
Daily Personal Charge Contributions				
Household size				
- Per adult person over 18	2.00	0.0%	2.10	5.0%
- Children over 5 (per child)	0.50	0.0%	0.50	0.0%

Rental element charge

For those who are working and not entitled to legacy Benefits such as Income Support, JSA, ESA; or the equivalent element of Universal Credit, the applicant will be required to pay the daily personal charge, plus a rental charge equivalent to 30% of their nett household income, which includes income from employment, private pensions and any Tax Credits or equivalent components of UC. Disability Benefits or equivalent UC elements will be disregarded.

Savings

An assessment of the client's accessible savings will be conducted as part of their housing ass

If a client has accessible savings in excess of £6,000, they may be required to meet the full cost of the provision of the bed and breakfast placement, less any HB subsidy available.

Each application will be considered on its merits and exceptions may apply in special cases. Examples include access to capital assets and the need to fund any onward accommodation solutions, such as rent in advance costs, rent deposit costs or other reasonable housing costs such as removals and essential white goods that may require purchasing in order to facilitate a move – on from interim accommodation.

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	%
To be approved by Council				
Local Taxation				
Court Costs - Council Tax*	103.50	3.0%	To be advised	
Court Costs - Business Rates*	124.10	3.0%	To be advised	
Court Costs - BID Levy*	10.80	2.8%	To be advised	
*these amounts includes £20.00 payable for Liability Order				
Letting of Council Accommodation for Meetings (Charges for other uses subject to negotiation)				
Council Chamber				
Morning	267.80	3.0%	290	8.3%
Afternoon	267.80	3.0%	290	8.3%
Evening to 9.00 pm	345.00	3.0%	370	7.2%
Room 1 (Chantries)- previously Committee Room 1				
Morning	185.40	3.0%	200	7.9%
Afternoon	185.40	3.0%	200	7.9%
Evening to 9.00 pm	267.80	3.0%	290	8.3%
Room 2 (Newlands)- previously Committee Room 2				
Morning	185.40	3.0%	200	7.9%
Afternoon	185.40	3.0%	200	7.9%
Evening to 9.00 pm	273.00	3.0%	290	6.2%
Room 3 (Sheepleas)				
Morning	132.90	3.0%	140	5.3%
Afternoon	132.90	3.0%	140	5.3%
Evening to 9.00 pm	191.60	3.0%	205	7.0%
Room 4 (Chinthurst)				
Morning	92.70	3.0%	100	7.9%
Afternoon	92.70	3.0%	100	7.9%
Evening to 9.00 pm	136.00	3.0%	145	6.6%
Room 5 (Whitmoor)				
Morning	92.70	3.0%	100	7.9%
Afternoon	92.70	3.0%	100	7.9%
Evening to 9.00 pm	136.00	3.0%	145	6.6%
Room 6 (Hurtmore)				
Morning	185.40	3.0%	200	7.9%
Afternoon	185.40	3.0%	200	7.9%
Evening to 9.00 pm	273.00	3.0%	295	8.1%
Room 7 (Loseley)				
Morning	57.70	3.1%	63	9.2%
Afternoon	57.70	3.1%	63	9.2%
Evening to 9.00 pm	81.40	3.1%	85	4.4%
Room 8 (Hatchlands)				
Morning	111.20	3.0%	120	7.9%
Afternoon	111.20	3.0%	120	7.9%
Evening to 9.00 pm	162.70	3.0%	175	7.6%

*= includes VAT at 20%

 Appendix 4

Guildford Borough Council

Council 7 February 2024

Section 25 Report of the Section 151 Officer

**Robustness of Estimates and
the Adequacy of Reserves and Balances
Local Government Act 2003 (Section 25)**

Purpose of report

1. Section 25 of The Local Government Act 2003 places a duty on the Chief Finance Officer to make a report to the authority on the robustness of estimates and adequacy of reserves. This report fulfils this requirement and provides Members with assurance that the budgets have been compiled appropriately and that the level of reserves is adequate. It is a statutory requirement that councillors must consider this report when considering and approving a budget.

2. Under Section 25 of the Local Government Act 2003, the Council's Chief Finance Officer is required to report to the Council on:

   • The robustness of the estimates included within the budget

   • The adequacy of the reserves and balances

3. It is a statutory requirement that councillors must consider this report when considering and approving a budget.

Introduction

4. The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its budget and precept, the Chief Finance Officer must report to it on the following matters:

   a) the robustness of the estimates made for the purposes of the calculations,

   and;

   b) the adequacy of the proposed financial reserves.

5. The authority must have due regard to the report when making decisions on the budget and precept.

6. The Chief Finance Officer for the Council is the Section 151 Officer. In expressing their opinion, the Chief Finance Officer has considered the financial management arrangements that are in place, the level of reserves, the budget assumptions and the financial risks facing the Council.

7. In presenting this report the Chief Finance Officer is mindful of other associated statutory safeguards designed to support the authority:

    - Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the Chief Financial Officer has personal responsibility for such administration;
    - Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget;
    - The Prudential Code introduced as part of the Local Government Act 2003 sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates;
    - The external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money').

8. To reinforce these obligations, section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to all the authority's councillors, in consultation with the Monitoring Officer, if there is or is likely to be unlawful expenditure or an unbalanced budget.

Report Details

National Picture

9. Local Government is continuing to commission and deliver services to its residents and businesses during a period of prolonged financial uncertainty and significant change. This uncertainty relates to both the overall UK economy as well as the impact of national policy changes to the way in which local government is funded in the medium / long-term. Demand pressures, high inflation and interest rates on top of 10+ years of cuts to local government funding have put significant pressure on the budgets of local authorities.

10. It is important that we continue to manage our resources in a prudent and sustainable way, ensuring that we understand and can plan and manage our risks effectively over the medium term which is why a strong link between our service outcomes and financial measures is imperative.

Local Picture

11. Guildford Borough Council has found itself in a difficult financial position, partly down to the erosion of financial controls and governance following replacement of ICT systems and major restructuring of the Council.

12. Commercial income from our property investments have held up well as they are largely geared towards small industrial sectors. The pandemic effectively "stress-tested" our investments and they have held up extremely well. This is a much better position than in many other Councils and is testament to the strength of the tenancies we have in place.

13. The Council is committed to investing and developing its local economy and this investment can be seen clearly through key decisions taken at a local level including

 Appendix 4

direct property investment for regenerative purposes such as the Ash Road Bridge and Weyside Urban Village projects.

14. The Council delivers a wide range of services to support our residents, communities and businesses. Some of these services are provided by all Councils as a requirement of national legislation whilst Guildford Borough Council chooses to provide others as a result of the specific needs of our communities and the priorities of the Council.

Budget Process

15. The budget has been prepared using accruals accounting and provides for realistic estimates of income, expenditure, and liabilities. The detailed budget has been prepared with each of the service areas and the finance team. These have been reviewed and challenged by the senior management team.

16. The budget ensures that all aspects of the budget (Revenue, Capital and Treasury) are understood, and the interdependencies are taken account of.

17. During the year, the monitoring of financial information has been thoroughly reviewed and reporting is now provided monthly to a wide range of audiences. Improvements and developments have also been incorporated into the processes to ensure that we continue to provide the best level of transparency that we can. Further improvements are still planned in this area.

18. The prudential code introduced a rigorous system of prudential indicators, which explicitly require regard to affordability, prudence, value for money, stewardship, service objectives and practicality in the way in which we manage our finances. This is backed up by a specific requirement to monitor performance against forward-looking indicators and report and act on significant deviations. These are fully considered by our Corporate Governance and Standards committee.

Budget Assumptions and robustness of estimates

19. The Council has complied fully with the requirements of the Prudential Code for Capital Finance in Local Authorities. The Treasury Management Strategy, Capital Strategy and investment Strategy provide the framework for which the Council to adhere to. I (the Chief Finance Officer) am satisfied that the levels assumed in the indicators are affordable and sustainable.

20. The Council has insurance cover through external policies. I (the Chief Finance Officer) am satisfied that the insurance cover is adequate to meet all reasonable insurable liabilities.

Adequacy of reserves

21. The appropriate level of reserves can support an organisation in managing risk and volatility in its operating environment. The Council is facing significant risk and change over the medium term due to number of local and national issues and it is important that the level of reserves reflects this.

22. The Council non-ringfenced reserves are estimated to be around £11.5m at the end of 2023-24 (£8.4m plus adjustments to the HRA, SANG and capitalisation). This is well above the minimum 5% of general fund expenditure recommended.

23. There is currently significant uncertainty over funding levels for 2025-26 and beyond. This is due to several key issues, the forthcoming General Election, the single year Financial Settlement given in for 2024-25, the delay in implementing the local Government Finance reforms (Fair Funding Review, Business Rate baseline reset, New Homes Bonus).

Financial Management

24. The Council's External Auditor, Grant Thornton, have completed the audit of the 2019-20 accounts but have not undertaken the audit of the 2020-21 and 2021-22 accounts due to the on-going investigation around the housing maintenance service. The Council comprehensively considers all issues raised by External Audit and responds accordingly to any issues / recommendations. We will continue to work closely with the External Auditors and react positively to any issues identified.

25. The new Internal Auditors, Southern Internal Audit Partnership (SIAP), have been able to progress through the internal audit plan and the outcome of this work has demonstrated stability and in the Councils control framework. Some work has been re-prioritised during the year to allow additional resource to be applied to examination of the key controls in light of the previously identified historic accounting errors.

26. The Chief Finance Officer considers that the financial control arrangements are now sufficiently robust to maintain adequate and effective control of the budget during 2024-25.

Risk Assessment

27. The Council has a robust risk management framework in place. The framework supports the Council in managing significant risk.

28. The key risks within the budget for 2024-25 are set out below, together with the mitigations in place to manage them.

Risk Areas in 2024-25	**Issues/ Mitigations**
Inflationary pressure – affects contracts and pay award	Contract inflation of £500k has been built into the budget. Expectations are that rates will continue to fall during 2024-25.
Pay Award – assumption of 4%, 3%, 3%	Locally negotiated. Cost of living impact for employees noted.
Fees and Charges – budgets raised due to current over achievement and savings requirements but demand could be affected	Key items such as car parking and Garden waste will be closely monitored and corrective action taken Corporately if necessary

Commercial Income – potential for voids	Income has held up very well and the current investments appear to suit current market requirements. The investments will be kept under close review.
The Economy	Growth currently minimal and any impact will need to be monitored if this continues.
Benefits	Cost of Living crisis and roll-out of Universal Credit likely to put additional pressure on benefit payments. Non-recovery / debt will be closely monitored
Staffing availability	Current difficulties in recruiting staff in some service areas, particularly professional staff. Recruitment campaigns used where possible and Interims only as last resort.
Homelessness / Refugees	Increasing issue at the same time as government funding is reducing. Close monitoring required and appropriate action taken if necessary.
Delays in Government Policy	New funding from Extended Producer Responsibility delayed. Increased costs from National Minimum Wage, benefit changes but not funded. National pressure required.
Collaboration / Business Transformation	Staffing being increased but savings target needs to be delivered. Need to address key issues of Terms and Conditions and ICT harmonisation.
Planning Appeals	Cost is not budgeted as unpredictable.
Legal / JR costs	Increasing use of legal measures by the public / companies. Needs to be robustly defended as appropriate.
Asset Sales	Target of £50m to be delivered. Needs to be done methodically to ensure best value and closely monitored.
Debt Management	Need to ensure sums owed to the Council are recovered. Better monitoring and follow up being introduced
Establishment Control / Vacancy Management	Staffing costs are the greatest area of expenditure. Control of the establishment and delivery of the vacancy saving imperative.
ICT obsolescence	Need to ensure that systems / software are up to date to maximise benefits and minimise risks such as cyber security
Park and Ride	On-going legal challenges around park and ride sites and provision need careful management.

Appendix 4

North Downs Housing	Future of NDH needs to be determined which could lead to write down of loans / asset values.
Housing Maintenance Investigation	One-off budget has been set aside to deal with investigation costs. Potential for general fund impact but should be minimal

Future Outlook

29. The future financial risks are partly due to potential national funding changes but also due to the on-going state of the economy. These include:-

- Reset of the business rates growth baseline which was delayed again from 2022-23. Guildford is not part of any business rates pooling arrangements so there would be no loss of historic growth is this was implemented, which is likely to be a very significant issue for many district / borough councils.
- Savings delivery – Future savings are still required to balance the MTFP period and deal with the future borrowing costs associated with Weyside Urban Village.
- Impact of the Fair funding review (if / when implemented) is likely to move funding from the South to the North of the Country, which would be a disbenefit for Surrey Councils. There is however likely to be transitional arrangements put in place which would smooth out any adverse impact.
- The lack of a multi-year finance settlement means significant uncertainty over future funding levels.
- A replacement New Homes Bonus scheme was due to be introduced in 2022-23 and no details of this have yet been released.
- Pay costs for 2025-26 onwards have been included at 3%. Inflation is high at present but expected to reduce. These rates could increase which would mean additional cost pressures on future budgets.
- Commercial income may be impacted but has held up very well to date. Hopefully, this risk will reduce as the economic recovery progresses.

Conclusions

30. I am satisfied that the budget prepared for the financial year 2024-25 is prudent and makes allowance for the costs of providing services in accordance with the Councils' approved policies and service plans. I consider that the budget proposals set out in the report are robust. The level of reserves is sufficient to meet the known risks within the budget taking account of the Councils robust financial management framework.

 Appendix 4

Statements of the Section s151 Officer

Section 151 Officer - Statement on the Robustness of the Budget.

“The Borough Council is recommended to note that, in my opinion, the estimates used in the production of the budget proposal for 2024-25 are adequately robust”.

Section 151 Officer - Statement on the Adequacy of Reserves

“Based on the assessment of the reserves and contingencies, the key financial risks identified, and the thorough process used for developing the Medium-Term Financial Plan, I have determined that the level of reserves and balances for 2024-25 is adequate.”

Richard Bates
Section 151 Officer – Guildford Borough Council
29 December 2024

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Summary of Change in Reserves 2023-24

Appendix 5

	Balance at 31 March 2023 £000	Receipts in Year £000	Transfers out in Year £000	Adjustments £000	Estimated Balance at 31 March 2024 £000	Notes	Usage in 2023-24
General Fund Reserves							
MTFP	-4,277,712	0	1,754,950	-1,536,000	-4,058,762	SANG interest & HRA interest / housing advice	885k planning, 800k to FRP, 70k Crowd Funding
Financial Recovery Plan	0	-800,000	125,000		-675,000		From MTFP
Carried Forward Items	-870,238	0	122,000	0	-748,238		Parks 60k, Finance staff 62k
ICT Renewals	-1,894,367	-500,000	926,000	0	-1,468,367		
Insurance	-500,000	0	0	0	-500,000		
Spectrum	-773,352	0	352,631	0	-420,721		
Car Parks Maintenance	-2,330,540	0	394,049	0	-1,936,491		
Car Parks Equalisation reserve	0	-500,000	0	0	-500,000		
BR Covid ongoing	-330,462	0	0	0	-330,462		
Election	-265,897	0	222,600	0	-43,297	£110k to be added pa from 25/26	
Usable Reserves	**-11,242,569**	**-1,800,000**	**3,897,230**	**-1,536,000**	**-10,681,338**	**= £8.4m plus carry forwards plus adjustment**	
HLS	-231,696	0	38,893	0	-192,802		
Capital Schemes	0	0	0	0	0		
Salix	-314,796	-31,157	0	0	-345,953	Match Funding	
Land Charges	0	-20,334	0	0	-20,334		
G Live Sinking	-130,000	-10,000	42,375	0	-97,625	Linked to cotract	
Family Support	0	-195,832	0	0	-195,832	SCC	
Civil parking	1,874	0	0	-1,874	0	Write off	
Taxi Licensing	0	0	0	0	0		
Refugee support	-393,316	-1,409,287	196,338	0	-1,606,265	SCC	
Safer Gfd	-27,186	0	0	0	-27,186	SCC	
Business Rates equalisation	-2,930,539	-5,619,763	0	0	-8,550,302	s31 Grants	
Special Protection Areas (SPA) sites	-13,588,745	-658,212	107,369	0	-14,139,588	SPAs - need to adjust for overprovision	
Usable but Earmarked	**-17,614,404**	**-7,944,586**	**384,976**	**-1,874**	**-25,175,888**		
TOTAL	**-28,856,972**	**-9,744,586**	**4,282,206**	**-1,537,874**	**-35,857,226**		

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Appendix 6

Proposed Annual Uprating of The Guildford Borough Council (Council Tax Reduction Scheme) (Persons who are not Pensioners) for 2024-25

1. Personal Allowances

Column (1) - Person or couple	2023 Amount	Amount Proposed 2024
(1) A single claimant who -	(1)	(1)
(a) Is entitled to main phase employment and support allowance	(a) £77.00	(a) £84.80
(b) Is aged not less than 25	(b) £77.00	(b) £84.80
(c) Is aged not less than 18 but less than 25	(c) £61.05	(c) £67.20
(2) Lone Parent	(2) £77.00	(2) £84.80
(3) Couple	(3) £121.05	(3) £133.30

Column (1) - Child or young person	Column (2) – Amount 2023	Column (2) – Amount Proposed 2024
Person in respect of the period -		
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£70.80	£77.78
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday	£70.80	£77.78

2. Premiums

Family premium

Where the Family Premium still applies and the applicant is not a lone parent the proposal is to increase the premium from £17.85 to £18.53.

Appendix 6

Other premiums

17. Premium	Amount 2023-24	Proposed 2024-25
(1) Disability Premium—	(1)	(1)
(a) where the applicant satisfies the condition in paragraph 9(a);	(a) £36.20	(a) £39.85
(b) where the applicant satisfies the condition in paragraph 9(b).	(b) £51.60	(b) £56.80
(2) Severe Disability Premium	(2)	(2)
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	(a) £69.40	(a) £76.40
(b) where the applicant satisfies the condition in paragraph 11(2)(b)—		
(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 11(5);	(b)(i) £69.40	(b)(i) £76.40
(ii) in a case where there is no-one in receipt of such an allowance	(b)(ii) £138.80	(b)(ii) £152.80
(3) Disabled Child Premium	(3) £68.04 in respect of each child or young person in respect of whom the condition specified in paragraph 13 of Part 3 of this Schedule is satisfied	(3) £74.69 in respect of each child or young person in respect of whom the condition specified in paragraph 13 of Part 3 of this Schedule is satisfied
(4) Carer Premium	(4) £38.85 in respect of each person who satisfies the condition specified in paragraph 14.	(4) £42.75 in respect of each person who satisfies the condition specified in paragraph 14.
(5) Enhanced Disability Premium	(5)	(5)
	(a) £27.44 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied	(a) £30.17 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied
	(b) £17.75 in respect of each person who is neither	(b) £19.55 in respect of each person who is neither
	(i) a child or a young person; nor	(i) a child or a young person; nor
	(ii) a member of a couple or a polygamous marriage	(ii) a member of a couple or a polygamous marriage
	In respect of whom the conditions specified in paragraph 12 are satisfied	In respect of whom the conditions specified in paragraph 12 are satisfied
	(c) £25.35 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage	(c) £27.90 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage

Part 6 - Amount of components

	Amount 2023-24	Proposed 2024-25
18. The amount of the work-related activity component is	30.60	33.70
19. The amount of the support component is	40.60	44.70

3. Non-Dependant Deductions

	Amount 2023-24	Proposed 2024-25
(1) Subject to the following provisions of this paragraph, the non-dependant deduction in respect of a day referred to in paragraph 47 is -		
(a) in respect of a non-dependant aged 18 or over in remunerative work,	£12.85 x 1/7	£14.15 x 1/7
(b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply,	£4.20 x 1/7	£4.60 x 1/7
(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is		
(a) less than X, the non-dependant deduction to be made under this paragraph is the amount specified in sub-paragraph (1)(b)	X £224.00	X £236.00
(b) not less than X but less than Y, the non-dependant deduction to be made under this paragraph is b;	X £224.00 Y £389.00 b £8.55	X £236.00 Y £410.00 b £9.40
(c) not less than Y but less than Z, the non-dependant deduction to be made under this paragraph is	Y £389.00 Z £484.00 c £10.70	Y £410.00 Z £511.00 c £11.80

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GENERAL FUND REVENUE BUDGET 2024-25 AND MEDIUM TERM FINANCIAL PLAN 2024-25 TO 2026-27 – EXTRACT FOR EXECUTIVE

A report regarding the General Fund Budget 2024-25 and Medium Term Financial Plan 2024-25 to 2026-27 was before the Joint Executive Advisory Board (JEAB) for consideration at its meeting held on 11 January 2024. The report was introduced by the Lead Councillor for Finance and Property and presented by the Joint Executive Head of Finance and S151 officer, who sought councillors' views thereon.

The following points arose from related discussion, comments and questions for forwarding to the Executive:

1. In terms of the long-term empty dwelling levy, the current number of long-term empty dwellings in the Borough was unknown and the officers would obtain that information from the Revenues and Benefits Lead and circulate it to the JEAB.
2. The JEAB was advised that the Asset Register was publicly available and a link to it would be circulated to councillors to enable them to contact the project lead, the Joint Executive Head of Assets and Property, with any comments, queries or issues.
3. The Asset Disposal Programme was not yet finalised and a valuation expert and another property expert were revaluing the assets on the short list with a view to arriving at a final list. The Programme would be subject to approval through the formal processes in due course.
4. The freezing of councillors' allowances for 2024/25 was supported.
5. Climate Change was a consideration when letting any contract, in particular the Council's energy supply contract, which would fall due for renewal next year. This exercise would include looking at whether, as part of the Council's Climate Change commitments, green energy could be utilised. This would depend upon price differentials quoted in contract tenders received.
6. With regard to parking charges, although the package in terms of the overall amount of income the Council was seeking to raise had been agreed, further details were to be added to the report prior to its submission to the Executive and Council.

7. It was assumed that the fly tipping fine of £400 was set nationally. However, enquiries would be made to ascertain whether there was any local discretion to increase the amount to deter culprits.
8. In response to a request, the JEAB was advised that the capital cash flow could be added to the report to aid understanding.
9. With regard to the submission of Monitoring Reports to the Corporate Governance and Standards Committee, the Period 8 report would be received next week whilst the Period 6 and 7 reports would be published on the Council's website, together with the Period 8 report following its reporting to the Committee. The Period 9 report was almost ready for publishing. It was hoped that the availability of this information to councillors and the public would assist with answering some of the budget queries raised.
10. The addition of greater context to the report to assist the public to understand it was welcomed.

The JEAB was invited to comment on seven recommendations which would be considered by the Executive at its meeting on 25 January 2024. The JEAB indicated its support for all seven recommendations and agreed that its above comments be forwarded to the Executive.

Guildford Borough Council

Report to: Executive

Date: 25 January 2024

Ward(s) affected: All

Report of Director: Monitoring Officer

Author: Susan Sale, Joint Executive Head of Legal & Democratic Services and Monitoring Officer

Tel: 01483 444022

Email: susan.sale@guildford.gov.uk

Executive Lead Councillor responsible: Merel Rehorst-Smith

Email: merel.rehorst-smith@guildford.gov.uk

Report Status: Open

Guildford Borough Council Whistleblowing Policy

1. Executive Summary

1.1 Guildford Borough Council encourages staff and others to report any cases of suspected wrongdoing or misconduct, illegal acts, or failure to act within the Council, as part of its commitment to act with integrity and openness in the best interest of its residents and communities. To govern any such disclosures, the Council has a Whistleblowing Policy. That Policy has been reviewed and updated.

1.2 This report will also be considered by the Corporate Governance & Standards Committee at its meeting on 18 January 2024. Details of any comments and recommendations from that Committee will be reported to the Executive for its consideration.

2. Recommendation to Executive

The Executive is recommended:

2.1. To adopt the proposed revised Whistleblowing Policy, as set out in Appendix 1 to this report.

3. Reasons for Recommendation:

3.1. It is right and proper to uphold the principles of transparency to encourage individuals to make any disclosures and raise any concerns where they suspect wrongdoing.

3.2. It is important that the Council has a Policy in place to govern such disclosures and that such Policy is kept under regular review.

4. Exemption from publication

4.1. This report does not contain exempt information under schedule 12A to the Local Government Act 1972.

5. Purpose of Report

5.1. The purpose of the report is for the Executive Committee to consider the proposed revisions to the Council's Whistleblowing Policy, taking into account the comments of the Corporate Governance & Standards Committee.

6. Strategic Priorities

6.1. One of the Council's values is to ensure that its councillors and staff uphold the highest standards of conduct.

6.2. The Council's mission is to be a trusted, efficient, innovative and transparent Council that listens and responds quickly to the needs of our community.

7. Background

7.1. The aim of the Whistleblowing Policy is to encourage employees and others who have serious concerns about any aspects of the Council's work to come forwards and voice those concerns.

7.2. The Council's Whistleblowing Policy intends to:

- Encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected as far as possible;

- Encourage and enable staff to raise concerns within the Council rather than ignoring a problem or blowing the whistle externally without exhausting internal procedures;

- Provide staff with guidance as to how to raise those concerns;

- Reassure staff that they should be able to raise genuine concerns without fear of reprisals, victimisation, subsequent discrimination, disadvantage or dismissal, even if they turn out to be mistaken, provided the disclosure is made in the public interest.

7.3 The Council is committed to conducting business with honesty and integrity and expects all staff to maintain high standards of conduct. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur.

7.4 Staff are often the first to realise that there may be something seriously wrong within an organisation. Whistleblowing is viewed by the Council as a positive act that can make a valuable contribution to the Council's efficiency and long-term success. It is not disloyal to colleagues or the Council to speak up. The Council is committed to achieving the highest possible standards of service and the highest possible ethical standards in public life and in all aspects of its practices. To help achieve these standards it encourages freedom of speech.

7.5 The Whistleblowing Policy should be regularly reviewed and at least every two years, or more frequently where there is change to legislation or statutory guidance, or learning from its operation that should be taken into account.

7.6 The existing Guildford Borough Council Whistleblowing Policy was adopted in 2017 and so it is overdue for a review. It is due to be considered by the Executive at this meeting and then due for a further review in January 2026.

7.7 It is proposed that Guildford Borough Council and Waverley Borough Council attempt to align their Whistleblowing Policies as far as it is appropriate to do so, whilst accepting there may be local differences. This is with a view to supporting the collaboration and transformation programme. Proposals similar to this report are due to be considered at Waverley Borough Council shortly.

8. Consultations

8.1. The Council's Corporate Governance & Standards Committee has been consulted on the proposed revisions to the Whistleblowing Policy and any comments and recommendations arising from its consideration of the report at its meeting on 18 January 2024 will be reported to the Executive.

9. Key Risks

9.1. There is a risk of not having a Whistleblowing Policy in place, in that disclosures are not made, or not made in a transparent way, or dealt with in accordance with process, or that disclosures are made externally without exhausting any internal process. Without a Whistleblowing Policy there is a greater risk of wrongdoing going unchecked within the Council.

10. Financial Implications

10.1. There are no financial implications arising from this report.

11. Legal Implications

11.1. The Corporate Governance & Standards Committee's terms of reference provide for that Committee to consider an annual report of the operation of the whistle-blowing policy, including incidents reported.

11.2. The Constitution provides that the Executive is responsible for making decisions on all executive matters within the policy framework which are not the responsibility of any other part of the Council.

12. Human Resource Implications

12.1 There are no Human Resource implications arising from this report.

13. Equality and Diversity Implications

13.1 There are no Equality & Diversity implications arising from this report.

14. Climate Change/Sustainability Implications

14.1. There are no Climate Change/Sustainability implications arising from this report.

15. Background Papers

None.

16. Appendices

Appendix 1: Revised Whistleblowing Policy 2024

Appendix 2: Existing Whistleblowing Policy 2017

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Whistleblowing Policy

Guildford Borough Council

Document Information

Version Control: Draft Version 2.0

Policy Service Owner: Monitoring Officer

This document replaces: Whistleblowing Policy 2017

Document Creation Date: January 2024

Next review date: January 2026

Governance: Adoption by Executive, 25 January 2024. Review of policy effectiveness led by Corporate Governance and Standards Committee.

Harmonisation

Please be aware that this Whistleblowing policy is aligned with Waverley Borough Council’s Whistleblowing Policy. This means that the policy is structured and formatted with similar language. Whilst many of the substantive provisions are similar there may be some local differences in policy as adopted by each Council’s member approval process.

Table of Contents

01. Purpose

Guildford Borough Council is committed to delivering high quality and value for money services to the highest standards of openness, honesty and accountability. The Council has rules, policies and procedures to ensure that it maintains the highest standards of conduct wherever possible. Where malpractice does occur, it will not be tolerated.

The Council believes that knowing that any malpractice will be reported and thoroughly investigated, and that prompt and appropriate action will be taken against those responsible, acts as a deterrent to such conduct.

We acknowledge the legal protection under the Public Disclosure Act 1998 provided for employees who make disclosures about malpractice.

02. Aims

The Whistleblowing Policy aims to encourage and enable anyone to raise issues of concern about suspected improper conduct in the way Guildford Borough Council carries out its business. It aims to give staff, councillors and others, the confidence to raise concerns by assuring them that they can do so without fear of harassment, victimisation or reprisals. It also confirms our commitment to investigate and rectify any malpractice reported to us swiftly and thoroughly.

03. Policy Scope

This policy applies to

- all Council employees (temporary, permanent, part time and full time);
- all Council trainees;
- agency staff, casual staff or consultants undertaking council work;
- contractors working for the Council;
- suppliers and those providing services under contract with the Council;
- volunteers.

Our staff, councillors or others working with us are often the first to realise that there may be something wrong. We encourage them to raise concerns, that are in the public interest as soon as there is a reasonable suspicion of wrongdoing.

Complaints of a personal nature, such as, about the terms of an individual's employment, should be raised via the grievance procedure rather than through this policy.

04. Policy Definitions

Whistleblowing is the reporting of information which relates to suspected wrongdoing at work, including possible unlawful conduct, fraud, risks to the public or malpractice.

Such concerns can be raised if there is a reasonable belief that one or more of the following has occurred:

- any unlawful act, whether criminal or a breach of civil law;
- maladministration;
- breach of any statutory code of practice;
- serious breach of or failure to implement or comply with a Council policy;
- serious breach or failure to safeguard children and vulnerable people in accordance with our policies and procedures;
- failure to comply with appropriate professional standards;
- corruption or fraud;
- breach of the Council's officer code of conduct;
- actions which are likely to cause physical danger to any person or to give rise to a risk of significant damage to property;
- an act that creates risk to health and safety;
- an act causing damage to the environment;
- failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost or loss of income to the Council or would otherwise seriously prejudice the Council or its residents;
- abuse of power, or the use of the Council's powers and authority for any unauthorised or ulterior purpose;
- a miscarriage of justice;

- concealment of any of the above.

This is not an exhaustive list, but an illustration of the sorts of concerns that may be raised under this policy.

05. Links to other Strategies, Policies, and Procedures

The Council has adopted a number of rules and procedures to ensure the Council's business is properly monitored and controlled. They form part of the Council's internal control process and system of governance and it is important that all councillors and officers are aware of, and abide by, them.

Appendix 1 sets out the linked policies and procedures that should be read alongside this policy.

06. Confidentiality

An individual is encouraged to raise concerns openly wherever possible. This will enable them to exercise their right of protection under the law and help with subsequent investigations.

The Council will do its best to protect the identity of an individual when a concern is raised and the individual wishes to remain anonymous. In such circumstances, the Council will keep the number of people aware of who raised the matter to a minimum, although it must be accepted that sometimes an individual may be identifiable by the nature of the information they provide. If disciplinary or other proceedings follow any whistleblowing investigation, it may not be possible for the Council to take action as a result of the disclosure without the individual coming forwards as a witness. Any such witness would be offered appropriate advice and support.

07. Harassment and Victimisation

We recognise that the decision to report a concern can be a difficult one, not least because of the fear of reprisal from those responsible for the misconduct. The Council will not tolerate harassment or victimisation and will take all reasonable measures to protect those who raise a concern in good faith. This still applies even if, after investigation, the disclosure is found to be incorrect or unfounded.

The Council will not tolerate any attempt on the part of any officer, councillor, contractor, supplier or anyone under their control, to apply any sanction or detriment (including informal pressure) to any person who has reported any serious and genuine concern of malpractice and will take all reasonable measures to protect the whistleblower.

Anyone who victimises a whistleblower could be exposed to liability for a criminal offence and also to personal liability as the whistleblower may choose to issue a direct civil claim against them.

If an individual feels victimised or harassed as a result of raising a concern, they should notify the Council's Monitoring Officer, or one of the Deputy Monitoring Officers, as soon as possible.

The Council may be vicariously liable for an officer or councillor's conduct in victimising a whistleblower. The Council will treat any recriminations, victimisation or harassment by an employee as a serious disciplinary matter. Where a councillor carries out any such recrimination, victimisation or harassment, the Council will regard this as a potential breach of the Councillors' Code of Conduct and appropriate action will be taken against the councillor in accordance with the Council's standards arrangements. Where a contractor or supplier carries out any such recrimination, victimisation or harassment, the Council will regard this as a potential breach of contract and instigate necessary action.

If an individual is unsure as whether to raise a concern formally under the Whistleblowing Policy, they should discuss the issue with their line manager, Executive Head of Service, Strategic Director or with Human Resources.

08. Anonymous Allegations

The Council encourages whistleblowers to put their name to their allegation whenever possible. If they do not, it may be more difficult for action to be taken and more difficult for the Council to protect the position of the whistleblower or provide them with information relating to the outcome of the process.

The Council will take all concerns raised seriously. Concerns expressed anonymously may be less powerful but will be considered at the discretion of the Monitoring Officer.

In exercising this discretion, the Monitoring Officer would take into account:

- the seriousness of the concern raised;

- the credibility of the concern; and
- the likelihood of being able to investigate and verify the allegation from reliable alternative sources.

09. False allegations

There is no requirement for disclosures to be true in order for whistleblowers to receive statutory protection. For example, if an individual suspects wrongdoing and reports it, they will be protected under this policy even if the concern is found not to be substantiated following an investigation.

However, any allegation that the whistleblower knows to be false and/or is brought maliciously would not be afforded the statutory protection as such a disclosure would not be deemed to be in the public interest. To ensure the protection of all of the Council's officers, those who make an allegation they do not reasonably believe to be true and/or made in the public interest may be liable to disciplinary action.

010. Safeguarding

Safeguarding concerns about children and vulnerable people should be raised through our safeguarding policies and procedures.

However, the Whistleblowing Policy may be used in circumstances where an individual may have a concern about the conduct of an individual who may be in a position of trust within the organisation, which could be detrimental to the safety or wellbeing of children and vulnerable adults where, for whatever reason, the individual feels unable to raise such concern under the Council's Safeguarding Policy.

The designated Lead Safeguarding Specialist must be contacted to provide appropriate advice with regards to disciplinary and grievance procedures and contacting the Local Authority Designated Officer (LADO).

011. Data Protection

All records relating to disclosures, subsequent investigation and action taken, will be managed in compliance with the Data Protection Act 2018, GDPR and the Council's Retention and Disposal Policy.

012. Learning and Improvement

Investigations may result in recommendations for changes to procedures and systems which will be incorporated into action plans. Follow-up reviews will also be carried out to ensure that recommendations are implemented.

013. Review of the Policy

The Council's Executive will be responsible for the adoption and review of this Policy. However, the Council's Corporate Governance and Standards Committee will be responsible for monitoring the operation of the Policy and will receive confidential reports from the Monitoring Officer on an annual basis of any disclosures made under the Policy and their outcome. As a result of consideration of the operation of the Policy, the Corporate Governance & Standards Committee may wish to make recommendations to the Executive upon the review of the Policy.

The Monitoring Officer is authorised to make minor and consequential amendments to this Policy in consultation with the Lead Executive Member, to ensure it remains fit for purpose. Minor amends include, but are not limited to, updating weblinks, changes in job titles, accessibility requirements, names of officers, contact details, and/or organisation names referenced in the document.

014. How to Report a Concern

An individual should submit their disclosure to the Monitoring Officer by one of the following methods:

- e-mailing monitoringofficer@guildford.gov.uk; or
- writing to the Monitoring Officer in a sealed envelope marked "Private and Confidential: To be opened by Address only" and addressing the envelope to the Monitoring Officer, Guildford Borough Council, Millmead House, Millmead, Guildford, GU2 4BB, or delivering by hand and leaving at reception.

In the absence of the Monitoring Officer, or in cases where it would not be appropriate to submit a disclosure to the Monitoring Officer, the individual should make their disclosure directly to one of the Deputy Monitoring Officers, who have full authority to act in accordance with this Policy.

Any disclosure should include:

- name(s) of the person, body or organisation that the concern is about;
- nature and details of the disclosure;
- names and contact details (if known) of any witnesses;
- dates of any incidents;
- whether the whistleblower wishes for their name to remain confidential and if so why.

If any whistleblower considers that they would benefit from additional support in the workplace, then they should make such request to the Monitoring Officer. The Monitoring Officer will consider allocating a Human Resources Officer, or a senior manager not involved in the disclosure or investigation, to provide such support.

The earlier any concern is raised, the easier it will be for the Council to take appropriate action.

015. How the Disclosure will be Dealt with

The Monitoring Officer is responsible for the operation of this Policy and will ensure that adequate resources are allocated for the investigation of any complaints.

The Monitoring Officer will:

- receive and record any disclosures under the Policy;
- take steps to protect the whistleblower's identity when a disclosure is made and the whistleblower has indicated that they do not want their name to be disclosed and such request is deemed to be reasonable by the Monitoring Officer;
- investigate promptly the disclosure using appropriate staff as required, or an external investigator;
- report the outcome of the investigation to the Corporate Management Board and recommend the action to be taken;
- where the disclosure relates to the conduct of a member of the Corporate Management Board, report to the Chief Executive;
- where the disclosure relates to the Chief Executive, report to the Leader of the Council;

- report, as appropriate, either jointly with the Chief Executive or in their own right, to the Corporate Governance and Standards Committee as part of the annual report on the operation of this policy, or separately in cases of urgency;
- recommend appropriate action to resolve a concern raised.

The Monitoring Officer will acknowledge receipt of any whistleblowing disclosure within five working days of receipt. Within a further five working days the Monitoring Officer will confirm whether the matter will be investigated further and the nature and arrangements of any such investigation, unless the Monitoring Officer requests further information to inform this decision. A whistleblower shall have the opportunity to be accompanied by a workplace colleague or trade union representative at any subsequent meetings or interviews.

The Council may also ask for more information where this would assist in the investigation.

The action the Council shall take will depend on the nature of the concern. The matter may:

- be investigated internally by staff or externally by an external investigator
- be referred to the Police
- be referred to the internal or external auditor
- form the subject of an independent inquiry

The outcome of an investigation may lead to disciplinary action against employees, conducted in accordance with the Council's Disciplinary Procedures. In this situation, the employee would be informed that the issue has been raised under the Whistleblowing Policy. This may be in addition to any legal proceedings instigated by the Police.

For the purposes of the investigation, the Monitoring Officer has a right of access to all councillors and officers and to all documents and records of the Council as they determine to be necessary and appropriate.

If a whistleblowing disclosure is made and later withdrawn by the whistleblower, the Council will take account of the whistleblower’s wishes. However, there may be circumstances where the Monitoring Officer will deem it appropriate to continue to investigate, which may result in further evidence being required from the whistleblower.

016. External Disclosures

This Policy provides individuals with the opportunity to raise concerns as to wrongdoing with the Council and provides assurance that the Council will investigate all reasonable claims promptly and thoroughly.

The Council encourages individuals to use this Policy, rather than blowing the whistle outside of the organisation, as premature or unnecessary publicity may damage the Council's reputation, impede or prejudice proper investigation and due process or cause needless hurt to individuals.

However, if an individual considers it is right to take the matter outside the Council, or has exhausted the procedure under the Policy and remains dissatisfied, the following are possible contact points:

- the relevant councillor;
- the Council's External Auditor, Grant Thornton;
- any relevant professional bodies or regulatory organisations;
- an independent external solicitor
- the Police
- the charity "Protect" (020 7404 6609)

Any individual reporting a disclosure outside of the Council, would need to ensure that they did not disclose confidential information or that any disclosure was protected by legal professional privilege.

017. Employee Co-operation

The Council expects the full co-operation of all of its officers, councillors, contractors, suppliers and partners in securing the highest standards of service delivery and conduct.

Where employees are aware of, or suspect, malpractice, we expect them to report it. We will regard the failure by an employee to report such malpractice, or the suspicion of malpractice, as a serious matter which may be investigated under the disciplinary policy.

018. Review of the Procedure

The Council will review this Policy at least every two years or when there are changes to legislation or statutory codes of practice.

Appendix 1: Links to Guildford Borough Council Strategies, Policies and Procedures

Bullying and Harassment Procedure: clear guidance on the informal and formal steps that can be taken if bullying or harassment is taking place in the workplace.

Code of conduct for staff: sets out the rules and requirements that staff must follow to maintain the high standards expected by the public.

Complaints Policy and Procedure: this policy sets out our approach to dealing with customer complaints and ensuring that complaints are investigated in an evidence-based, fair, and efficient way.

Councillors' Code of Conduct: sets out the rules and requirements that councillors must follow to maintain the high standards expected by the public

Disciplinary Policy and Procedure: this policy covers our disciplinary rules and procedures that must be followed by managers so that individuals are treated fairly and consistently.

Financial Procedure Rules: financial procedure rules for managing the Council's financial affairs which must be followed by everyone acting on behalf of the Council

Grievance Policy and Procedure: this policy outlines the issues that may cause grievances and what steps can be taken to resolve them

Induction checklist for managers: process for managers to follow when inducting new employees including safeguarding raining requirements

IT, Information Management, and Information Security Policies: a framework of different policies for users and managers that address the need to protect confidential and sensitive information from disclosure, unauthorised access, loss, corruption, and interference.

Investigations - Guidance on conducting workplace investigations: this guidance is intended for use by managers and employees involved in internal, workplace investigations arising out of allegations of misconduct, gross misconduct or poor performance.

Privacy & Data Protection Policy: guidance on the safe handling of personal information.

Procurement Procedure Rules: applies to all purchases of works, goods and services that must be followed so that the Council is fair, open, transparent, non-discriminatory, and lawful.

Record and Retention and Disposal Schedule: This document aims to set out the legislation, guidance, and policy about record retention.

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DOCUMENT INFORMATION

Origination/author:	Steve Benbough, Corporate Development
Date/detail of consultation:	Unison (July 2017)
Date of Council approval:	25 July 2017
Last reviewed:	July 2017
Next review date:	July 2020

GUILDFORD BOROUGH COUNCIL WHISTLEBLOWING POLICY

1. Aims and scope of policy

1.1 We are committed to delivering high quality and value for money services and to the highest standards of openness, honesty and accountability. We have rules, policies and procedures to ensure that we maintain the highest standards of conduct, but malpractice can occur. We will not tolerate any such malpractice.

1.2 We believe that knowing that any malpractice will be reported and thoroughly investigated and that we will take prompt and appropriate action against those responsible acts as the best deterrent.

1.3 This policy covers any malpractice by our councillors and staff, including agency staff and casual employees, and organisations and individuals providing goods or services or carrying out works for us.

1.4 Our staff, councillors or others working with us are often the first to realise that there may be something wrong. We encourage them to raise concerns that are in the public interest as soon as there is a reasonable suspicion of wrongdoing.

1.5 This policy aims to give staff, councillors and others the confidence to raise concerns by assuring them that they can do so without fear of harassment, victimisation or reprisals. It also confirms our commitment to investigate and rectify any malpractice reported to us swiftly and thoroughly. The policy does not cover complaints or reports from members of the public. We will consider these under our complaints procedure or deal with them through our anti-fraud and corruption procedures.

2. Whistleblowing and the public interest

2.1 Whistleblowing is a report about suspected wrongdoing, which is in the public interest. It allows serious concerns about malpractice to be identified and resolved quickly. We encourage employees, councillors and others working with us to report any malpractice.

2.2 If you have a reasonable belief that the disclosure you are making is in the public interest, you will be protected against recriminations, victimisation or harassment. This still applies even if, after investigation, your disclosure is found to be incorrect or unfounded.

2.3 Complaints of a personal nature, such as the terms of your employment, should be raised via the grievance procedure rather than through this whistleblowing policy.

2.4 Safeguarding concerns about children and vulnerable people should be raised through our safeguarding policies and procedures.

2.5 We will not tolerate any attempt on the part of any employee, worker, councillor, contractor or supplier to apply any sanction or detriment (including informal pressure) to any person who has reported any serious and genuine concern of malpractice to us and will take all reasonable measures to protect you. Anyone who victimises a whistleblower will be personally liable as the whistleblower can bring a direct claim against the culprit. If you feel victimised or harassed as a result of raising a concern, you should notify the Monitoring Officer or Deputy Monitoring Officer.

2.6 The Council will be vicariously liable for an employee’s conduct in victimising a whistleblower. We will treat any recriminations, victimisation or harassment by an employee as a serious disciplinary matter.

2.7 Where a councillor carries out any such recrimination, victimisation or harassment, we will regard this as a serious breach of the Code of Conduct and appropriate action will be taken against the perpetrator in accordance with the Arrangements for Dealing with Allegations of Misconduct by Councillors, as set out in Part 5 of the Constitution.

2.8 Where a contractor or supplier carries out any such recrimination, victimisation or harassment, we will regard this as a serious breach of contract and instigate necessary action.

2.9 If you are unsure as whether to raise a concern, you should discuss the issue with your line manager, service manager, director or Human Resources.

3. Malpractice

3.1 Malpractice includes the following:

(a) any unlawful act, whether criminal or a breach of civil law

(b) maladministration

(c) breach of any statutory code of practice

(d) serious breach of or failure to implement or comply with a Council policy

(e) serious breach or failure to safeguard children and vulnerable people in accordance with our policies and procedures

(f) failure to comply with appropriate professional standards

(g) corruption or fraud

(h) breach of any Council code of conduct

(i) actions which are likely to cause physical danger to any person or to give rise to a risk of significant damage to property

(j) an act that creates risk to health and safety

(k) an act causing damage to the environment

(l) failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost or loss of income to the Council or would otherwise seriously prejudice the Council

(m) abuse of power, or the use of the Council's powers and authority for any unauthorised or ulterior purpose

(n) a miscarriage of justice

(o) concealment of any of the above

3.2 This is not a comprehensive list, but an illustration of the sorts of issues that may be raised under this policy.

4. Confidentiality and anonymous allegations

4.1 You are encouraged to raise concerns openly wherever possible. This will enable you to exercise your right of protection under the law and help with subsequent investigations.

4.2 We will do our best to protect your identity when you raise a concern and do not want your name disclosed. During the investigation, we will keep the number of people aware of who raised the matter to a minimum. However, you must appreciate that the investigation process may reveal the source and you may be required to make a statement as part of the evidence.

4.3 We encourage staff to put their name to their allegation whenever possible.

4.4 The Council will take all concerns raised seriously. Concerns expressed anonymously are much less powerful, but will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

5. False allegations

5.1 There is no requirement for disclosures to be true in order for whistleblowers to receive statutory protection. For example, if you suspect malpractice and report it, you will be protected under this policy even if your suspicions are found not to be substantiated following an investigation.

5.2 However, any allegation that you make which you know to be false is not protected as the disclosure would not be in the public interest. To ensure the protection of all our employees, those who make an allegation they do not reasonably believe to be true and/or made in public interest will be liable to disciplinary action.

6. Making a complaint

6.1 You should submit your complaint to the Monitoring Officer by:

(a) writing to him or her in a sealed envelope marked “private and confidential” and addressed to:

Monitoring Officer
Guildford Borough Council
Millmead House
Millmead
Guildford
GU2 4BB

(b) telephoning on 01483 444135; or

(c) e-mailing whistleblowing@guildford.gov.uk.

6.2 In the absence of the Monitoring Officer or in cases where it would not be appropriate to submit your complaint to him or her, you should make your disclosure to the Deputy Monitoring Officer who has full authority to act in accordance with this policy.

6.3 Your complaint should include:

(a) name(s) of any person you are complaining about;
(b) nature and details of the complaint;
(c) names and contact details (if known) of any witnesses;
(d) dates of any incidents; and
(e) whether you wish your name to remain confidential.

6.4 If you consider that you would benefit from additional support in the workplace, then you may make a request to the Monitoring Officer for this. The Monitoring Officer will consider allocating a Human Resources Officer or a senior manager not involved in the matter or investigation to provide you with support.

6.5 The earlier you raise the concern, the easier it will be for us to take action.

7. Receipt and investigation of complaints of malpractice

7.1 The Monitoring Officer is responsible for the operation of this policy and will ensure that adequate resources are allocated for the investigation of any complaints. The Monitoring Officer will:

(a) receive and record any complaints under the policy;

(b) take steps to protect your identity when you raise a concern and do not want your name to be disclosed;

(c) investigate promptly any complaint using appropriate staff from Legal Services and other departments as required;

(d) report the outcome of the investigation to the appropriate director and the Managing Director and recommend the action to be taken;

(e) where the complaint relates to the conduct of a director, report to the Managing Director;

(f) where the complaint relates to the Managing Director, report to the Leader of the Council;

(g) report, as appropriate, either jointly with the Managing Director or in his or her own right, to the Council or Executive;

(h) recommend appropriate action to resolve a complaint; and

(i) report annually to the Corporate Governance and Standards Committee on the operation of the policy.

7.2 The Monitoring Officer will write to you within ten working days to acknowledge receipt of your complaint, confirm whether the matter will be investigated further and the nature of that investigation and advise you of your opportunity to be accompanied or represented at any later meetings or interviews.

7.3 The action we take will depend on the nature of the concern. The matter may:

- be investigated internally;
- be referred to the Police;
- be referred to the external auditor; or
- form the subject of an independent inquiry.

7.4 For the purposes of the investigation, the Monitoring Officer has a right of access to all councillors and employees and to all documents and records of the Council.

8. Taking the matter further

8.1 This policy gives you the opportunity to raise concerns within the Council and assures you that we will investigate all reasonable claims promptly and thoroughly. We would encourage you to use it rather than blowing the whistle outside as premature or unnecessary publicity may damage our reputation, impede proper investigations or cause needless hurt to individuals. However, if you feel it is right to take the matter outside the Council, the following are possible contact points:

- your local councillor (if you live in the borough)
- the external auditor
- relevant professional bodies or regulatory organisations
- your solicitor
- the Police
- the charity “Public Concern at Work” (020 7404 6609)

8.2 If you do take the matter outside the Council, you need to ensure that you do not disclose confidential information or that disclosure would be privileged.

9. Employee cooperation

9.1 We expect the full co-operation of all our employees in securing the highest standards of service delivery and conduct.

9.2 Where employees are aware of, or suspect, malpractice, we expect them to report it. We will regard the failure by an employee to report such malpractice, or the suspicion of malpractice, as a disciplinary matter.