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Contact: Andrea Carr

Committee Services

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3 January 2024

Dear Councillor

Your attendance is requested at a remote meeting of the **JOINT EXECUTIVE ADVISORY BOARD** to be held on **THURSDAY 11 JANUARY 2024 at 7:00 pm**. The meeting will be held remotely via Microsoft Teams.

If for any reason Councillors lose their wi-fi connectivity to the meeting and are unable to re-join using the link in the Outlook calendar invitation, please re-join using the telephone number 020 3855 4748. You will be prompted to input a conference ID: 859 930 601#

Yours faithfully

Tom Horwood
Joint Chief Executive

MEMBERS OF THE EXECUTIVE ADVISORY BOARD

Councillor Sallie Barker MBE
Councillor Phil Bellamy
Councillor Dawn Bennett
Councillor David Bilbé
Councillor Honor Brooker
Councillor James Brooker
Councillor Ruth Brothwell
Councillor Yves de Contades
Councillor Amanda Creese
Councillor Geoff Davis
Councillor Matt Furniss
Councillor Gillian Harwood

Councillor Stephen Hives
Councillor Vanessa King
Councillor Steven Lee
Councillor Sandy Lowry
Councillor Richard Mills OBE
Councillor David Shaw
Councillor Joanne Shaw
Councillor Katie Steel
Councillor Cait Taylor
Councillor Jane Tyson
Councillor Catherine Young

Authorised Substitute Members:

Councillor Bilal Akhtar
Councillor Philip Brooker
Councillor Jason Fenwick
Councillor Lizzie Griffiths
Councillor Bob Hughes
Councillor James Jones
The Mayor, Councillor Masuk Miah, The
Mayor 2023-24

Councillor Danielle Newson
Councillor Patrick Oven
Councillor Howard Smith
Councillor James Walsh
Councillor Dominique Williams
Councillor Keith Witham

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: 5

**Please contact us to request this document in an
alternative format**

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

The information contained in the items on this agenda has been allowed into the public arena in a spirit of openness and transparency to gain broad input at an early stage. Some of the ideas and proposals placed before this Executive Advisory Board may be at the very earliest stage of consideration by the democratic decision-making processes of the Council and should not be considered, or commented on, as if they already represent either Council policy or its firm intentions on the issue under discussion.

The Executive Advisory Boards do not have any substantive decision-making powers and, as the name suggests, their purpose is to advise the Executive. The subject matter of the items on this agenda, therefore, is for discussion only at this stage and any recommendations are subject to further consideration or approval by the Executive, and are not necessarily in final form.

AGENDA

ITEM NO.

1 **ELECTION OF CHAIRPERSON FOR THE MEETING**

2 **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

LOCAL CODE OF CONDUCT AND NOTIFICATION OF DISCLOSABLE PECUNIARY INTERESTS

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 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.

MINUTES (Pages 7 - 12)

To confirm the minutes of the meeting of the Joint Executive Advisory Board (JEAB) held on 4 December 2023.

- 5 **BUSINESS PLANNING - GENERAL FUND BUDGET 2024-25** (Pages 13 - 120)
- 6 **CAPITAL AND INVESTMENT STRATEGY 2024-25 TO 2027-28** (Pages 121 - 212)
- 7 **HOUSING REVENUE ACCOUNT BUDGET 2024-25 - TO FOLLOW**

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4 DECEMBER 2023

JOINT EXECUTIVE ADVISORY BOARD

4 December 2023

- * Councillor Ruth Brothwell (Chairperson)
- * Councillor Katie Steel (Vice-Chairperson)

- | | |
|--------------------------------|--------------------------------|
| * Councillor Sallie Barker MBE | * Councillor Stephen Hives |
| Councillor Phil Bellamy | * Councillor Vanessa King |
| * Councillor Dawn Bennett | * Councillor Steven Lee |
| Councillor David Bilbé | * Councillor Sandy Lowry |
| Councillor Honor Brooker | * Councillor Richard Mills OBE |
| * Councillor James Brooker | Councillor David Shaw |
| * Councillor Yves de Contades | * Councillor Joanne Shaw |
| * Councillor Amanda Creese | * Councillor Cait Taylor |
| * Councillor Geoff Davis | * Councillor Jane Tyson |
| Councillor Matt Furniss | * Councillor Catherine Young |
| Councillor Gillian Harwood | |

* Present

Councillors Richard Lucas, Julia McShane, Carla Morson, Danielle Newson, George Potter, Howard Smith, James Walsh, Fiona White and Dominique Williams were also in attendance.

1 ELECTION OF CHAIRPERSON FOR THE MEETING

The Joint Executive Advisory Board (JEAB)

RESOLVED

that Councillor Ruth Brothwell be elected as Chairperson for this meeting.

2 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Phil Bellamy and Honor Brooker. Councillor Bilal Akhtar was present as a substitute for Councillor Honor Brooker.

3 LOCAL CODE OF CONDUCT AND NOTIFICATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of disclosable pecuniary or non-pecuniary interests.

4 MINUTES

The minutes of the meeting of the Joint Executive Advisory Board (JEAB) held on 13 February 2023 were confirmed as a correct record, and would be signed by the Chairman at the earliest opportunity.

5 LOCAL PLAN REVIEW

The Lead Councillor for Planning, Environment and Climate Change introduced this presentation item and explained the Guildford Borough Local Plan: Part 1 Strategy and Sites (LPSS) 2019 review process. It was emphasised that this five yearly statutory review process was a separate and distinct exercise from updating and changing a Local Plan. There was a requirement for local planning authorities to review their Local Plans on a five yearly cycle and, in the event that the review found that the Local Plan required updating, that procedure would be pursued. The Local Plan review was a technical exercise conducted by Council officers guided by the Planning Advisory Service (PAS) and followed a statutory approach. The outcome of the review would be reported to the Executive and then to the Council to obtain a decision in respect of whether an update of the Local Plan was required. In the event it was determined that an update was necessary, the Council would decide what form the update would take and which particular aspects of the Local Plan needed updating. Such a decision was likely to be reached in mid to late Spring 2024 as the five year anniversary of the adoption of the Local Plan fell in April 2024. The Lead Councillor and the Executive welcomed any questions and comments from councillors in respect of the Local Plan review process.

Members of the Planning Policy Team presented the item. The presentation highlighted:

- The context, scope and next steps of the Local Plan review.
- The necessity for the Council to review the Local Plan by 25 April 2024.
- Addressing the question of whether the Local Plan required updating with reference to the National Planning Policy Framework (NPPF).
- The stages of the review process, the outcome of which would not change the Local Plan.
- Considering the changing context in a proportionate manner with regard to national policy and changing circumstances e.g. housing need / delivery, economic changes that may impact viability, and new social, environmental or economic priorities.

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- Officers' use of the PAS matrix for the review which featured review factors and a Local Plan Toolkit review assessment.
- The Local Plan remained part of the Council's Development Plan giving primary consideration in determining development applications in the Borough and attaching due weight to relevant policies in existing plans consistently with the NPPF.
- The possibility of new national legislation and policy weighing in favour of an update of the Local Plan, consisting of:
 - the New Levelling Up and Regeneration Act
 - new NPPF and National Development Management Policies to follow the Act
 - updates to National Guidance
- Monitoring by officers of national developments in respect of Planning Reform. Although these were unlikely to have any implications for the review, they presented a challenging uncertainty in terms of a firm view regarding the scope of a potential future Local Plan update.
- The findings of the review would be reported to the Executive on 25 January 2024 and then to full Council on 21 February 2024. The report would address internal engagement with the cross party Planning Policy Board and the Joint Executive Advisory Board, external engagement limited to Duty to Co-operate bodies, and a technical assessment.

The JEAB was advised that, although the existing Local Plan had been adopted in 2019, it had been prepared on the basis of the 2012 NPPF under transitional arrangements allowed under the 2018 NPPF. Subsequent NPPFs had been introduced in 2021 and 2023 without a significant impact on the Local Plan.

Housing need was an area of particular area of interest as the Local Plan had been prepared under the old system of calculating housing need leading to an annual allocation of 562 homes. Under the 2018 NPPF system, which sought to introduce a simplified standard methodology which included an affordability uplift component, this number would rise to the requirement for 779 new homes per year in the Borough. The Government had indicated that the standard methodology calculation would be amended in Spring 2024 and the related final figure was anticipated to equate to an increase over the current 562 figure. A new figure could only be challenged, or successfully implemented, as part of the Local Plan examination process based on evidence. In the event that a Local Plan was over five years old and found to

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be in need of updating, the NPPF stipulated that the standard methodology be utilised to calculate the five year housing supply figure.

Other planning legislation changes of possibly more significance included the introduction of Use Class Order E which placed retail and office into the same use class whereas they had been in separate use classes previously. In addition, there had been some changes to allow retail and office uses to change to residential use in certain circumstances under permitted development rights, which impacted on employment policies in the Local Plan. The most significant changes would lead to alterations to the plan making system. A further factor with implications for the Local Plan related to the fundamental changes in circumstances which had occurred during the past five years since its adoption which altered the planning context, including Covid, the cost of living crisis, inflation and higher interest rates which all had implications for the economy, construction and viability whilst impacting on the type of employment land required pointing to the need for an update of the Local Plan.

With regard to social, environmental or economic priorities, climate change and biodiversity were highlighted as areas of increasing importance to both local and central government. As part of the preparation of the Local Plan: Part 2 Development Management Policies, the opportunity had been taken to strengthen these policy areas. As this resulted in a gap in terms of e.g. biodiversity net gain in the current LPSS, an update of the document would enable such priorities to be reconsidered.

It was noted that the Government was embarking on a significant programme of planning reform with a view to introducing a simpler and more rapid and predictable planning system and this was reflected in the forthcoming new and secondary legislation.

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

1. It was most likely that the Local Plan would require updating owing to the introduction of forthcoming primary and secondary legislation combined with changes to the housing need calculation and the economic context. Sustainability together with environmental and heritage protection were also factors to be taken into consideration.
2. Whilst the public would have ample opportunity to respond to consultation associated with any proposed update to the Local Plan,

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related communications should seek to manage expectations around development sites and the housing need figure. Communications issued to date had placed an emphasis on the difference between a review and an update of the Local Plan and further thought was being given to improving and expanding methods of communication and engagement.

3. There was a possibility that an update of the Local Plan could lead to changes to the Greenbelt boundaries to include some sites which had been excluded from the Greenbelt in the current version of the Local Plan. The introduction of different categories of land designation was also possible.
4. Measures to promote biodiversity and tackle climate change were expected to hold increasing weight in future planning policy.
5. The Council's current planning policy framework was robust and would remain valid and in place pending the implementation of an updated Local Plan.

The meeting finished at 8.05 pm

Signed
Chairman

Date

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Guildford Borough Council

Report to: Joint Executive Advisory Board

Date: 11 January 2024

Ward(s) affected: All

Report of Director: Ian Doyle, Transformation and Governance

Author: Richard Bates, Executive Head of Finance, S151 Officer

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Lead Councillor responsible: Richard Lucas (Finance and Property), Julia McShane (Leader)

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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 Joint Executive Advisory Board

The Joint EAB is asked to comment on the following recommendation which will be considered by the Executive at its meeting on 25 January 2024:

That the Executive is asked to recommend the following to the 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
<u>Non-Ringfenced Grants</u>			
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 BC

- 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)

	2023-24 Approved £'000	2024-25 Forecast £'000	2025-26 Forecast £'000	2026-27 Forecast £'000
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)		
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 and Corporate Governance & Standards Committee will scrutinise the budget proposals at their meetings in January 2024.
- 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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	Original 2023/24 Budget	Revised 2023/24 Budget	Proposed 2024/25 Budget
	£	£	£
Community Wellbeing	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
Corporate 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		Linked	2024-25	2025-26	2026-27	Notes
	Approved £'000			Forecast	Forecast	Forecast	
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
Feasibility 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
<i>Agency / Casual budget reduction</i>			-300,000			
<i>R&M Charge to HRA</i>			-200,000			
<i>Adj to cap finance budgets</i>			-167,600			
Council Tax surplus / deficit			?			
NNDR surplus / deficit			?			
Net Position	0		0	739,800	2,367,900	

**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)				
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%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023		April 2024	
		%		%
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%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023		April 2024	
		%		%

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%
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****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.

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 - investigation	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 fails	Hourly rate £82.00 maximum £100		Hourly rate £94.30 maximum £100	15%
Large Private water supply - analysing a sample taken during	Hourly rate £82.00 maximum £100		Hourly rate £94.30 maximum £100	15%
Large Private water supply - analysing a sample taken during	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%
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.				

* = includes VAT at 20%

2023-24	Increase	2024-25	Increase
from 1st		from 1st	
April 2023		April 2024	
	%		%

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.

* = includes VAT at 20%

	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%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
Home Boarding				
Application Fee	712.80	3.0%	759.13	6.5%
Fee for Grant	287.40	3.0%	306.08	6.5%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
Dog Day Care				
Application Fee	712.80	3.0%	759.13	6.5%
Fee for Grant	287.40	3.0%	306.08	6.5%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
Dog Breeding				
Application Fee	824.00	3.0%	877.56	6.5%
Fee for Grant	225.60	3.0%	240.26	6.5%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
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%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
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%
<i>Any vet fees will be payable upon application and as required for licence duration</i>				
Hiring out Horses				
Application Fee	577.80	3.0%	615.36	6.5%
Fee for Grant	289.40	3.0%	308.21	6.5%

* = includes VAT at 20%

2023-24	Increase	2024-25	Increase
from 1st		from 1st	
April 2023		April 2024	
	%		%

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 %
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%
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%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023		April 2024	
		%		%
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%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Membership Fees:				
Day Centre only	13.80	3.0%	14.60	5.8%
Day Centre and Dial a Ride (50% is for Community Transport)	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 chiropody	21%	3.0%	22%	1.0%
<i>**These are activities such as Tai Chi and Line Dancing provided by external facilitators</i>				
<i>*** These charges were previously retained by the centre welfare funds</i>				
Meals on Wheels Service				
Price per meal	4.60	2.2%	4.80	4.3%
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%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023		April 2024	
		%		%
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%
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				

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
Approved under Delegated Authority				
Private Sector Housing				
HMO Licences (Discount of £25 if applicant is a member of a recognised landlord organisation) (Discount of £50 if applicant is an accredited Landlord of the Guildford Letting Scheme) (Both discounts can not be applied at the same time) Late application fee	939.40	3.0%	987.00	5.1%
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%
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%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023	%	April 2024	%
Number of Pitches 46 and greater	352.00	3.5%	370.00	5.1%

* = includes VAT at 20%

	2023-24 from 1st April 2023	Increase %	2024-25 from 1st April 2024	Increase %
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%
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%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023	%	April 2024	%
Private hire vehicle signs (two signs)	26.60	3.1%	26.60	0.0%

* = includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023		April 2024	
		%		%
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	Increase	2024-25	Increase
	from 1st		from 1st	
	April 2023		April 2024	
		%		%
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	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	
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				
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%
<i>Charges for 770ltr and 1100ltr bins are subject to change to reflect the cost to the Council of purchasing the bins from our supplier.</i>				
Recycling - Green Waste Bins				
Per Bin	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	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	

Miscellaneous for Small Businesses

Sharps collection - service agreement for 6 months delivery and removal of 25 x 7cl Sharps boxes on monthly collection.

Food Waste

Trade collection (per 120 litre container)
School collection (per 120 litre container)

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

MOT	54.80	0.0%	54.80	0.0%
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

Vehicle Inspection Fee	60.00	3.4%	60.00	0.0%
MOT carried out as part of the Taxi Inspection (to be booked at the same time)	27.40	0.0%	27.40	0.0%

*= includes VAT at 20%

2023-24	Increase	2024-25	Increase
from 1st April 2023		from 1st April 2024	
	%		

For a full list of charges please contact the MOT bay

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

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	

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 - Football 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%

Netball - Stoke Park (Adult)

	33.00	8.3%	35.00	6.1%
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Netball - Stoke Park (School usage and U18)

	16.00	6.5%	17.00	6.3%
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Softball/Rounders - (Adult)

	41.00	9.8%	44.00	7.3%
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*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
Softball/Rounders - (School and U18)	23.00	9.4%	25.00	8.7%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	

Grass Athletics Track - Stoke Park (Adult groups/Organisations) 2 hours	84.00	11.2%	89.00	6.0%
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Grass Athletics Track - Stoke Park (Schools and U18 groups) 2 hours	47.00	11.7%	50.00	6.4%
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Lacrosse:

Stoke Park - Adults	84.00	11.2%	89.00	6.0%
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Stoke Park - School usage and youth (Under 18's)	47.00	11.7%	50.00	6.4%
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Event all Sites

Price on application (minimum charge £50 per day)				Price on application
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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
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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
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Fitness Sessions

				Price on application
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Forest school use of site - per child per visit	2.30	11.7%	2.30	0.0%
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Car Parking Only All Sites:

Per Day on Site (not in conjunction with event hire)				Price on application
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Commemorative Benches (All sites)

				Price on application
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Shalford Park:

Camping and Caravanning (Club Use) - per unit per night	11.50	15.1%	11.85	3.0%
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*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		%
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%

*= includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	

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%
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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				

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			
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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%

*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
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%

*= includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	
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.				
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%

*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
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	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	
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%
Seats Granite Columbaria (for a period of 10 years)				
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				

*= includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	
Restraining Charge	25.00	38.9%	30.00	20.0%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		%
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%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
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 fourth 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 Increase	2024-25	Increase
	from 1st April 2023	from 1st April 2024	
			%

*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
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:				
For every hour after 5pm	555.00	9.9%	600.00	8.1%
Exclusive Rights of Burial in Earthen Graves:	120.00	9.1%	132.00	10.0%
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.				
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%

*= includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	
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%

*= includes VAT at 20%

	2023-24 Increase from 1st April 2023		2024-25 Increase from 1st April 2024	
		%		%
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

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%
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*= includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	
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%

*= includes VAT at 20%

	2023-24 Increase from 1st April 2023	%	2024-25 from 1st April 2024	Increase
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The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of:

For every hour after 5pm	510.00	8.5%	540.00	5.9%
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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.

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

*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023	%	from 1st April 2024	
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 Increase		2024-25 Increase
	from 1st April 2023		from 1st April 2024
		%	

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%
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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%

Supply of information to professional organisations

*= includes VAT at 20%

General enquiries (one off charge)

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
	80.00	3.9%	85.00	6.3%

*= includes VAT at 20%

2023-24 Increase	2024-25 Increase
from 1st April 2023	from 1st April 2024
%	

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 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
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 Increase from 1st April 2023	%	2024-25 Increase from 1st April 2024	
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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				
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	Not applicable		Not applicable	
Other (listed building, advertisements, agricultural, telecommunications and trees)	Price on application		Price on application	
	Not applicable		Not applicable	

Extras

Additional plans

Commercial up to 250 sq metres				
Commercial up to 500 sq metres	89.70	3.1%	97.00	8.1%
Commercial up to 1000 sq metres	179.30	3.0%	190.00	6.0%
Commercial up to 2500 sq metres	356.40	3.0%	390.00	9.4%
Commercial over 2500 sq metres	599.50	3.0%	650.00	8.4%
Other (listed building, advertisements, agricultural, telecommunications and trees)	897.20	3.0%	950.00	5.9%
	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 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
			%	

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%
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High Hedges

	636.60	3.0%	690.00	8.4%
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Conservation Area Character Appraisals and Landscape Character Assessments are available to download for free on our website- price on application for printed copies

*= includes VAT at 20%

	2023-24 Increase from 1st April 2023		2024-25 Increase from 1st April 2024	
		%		%
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 Increase from 1st April 2023		2024-25 Increase from 1st April 2024	
		%		%
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 Increase from 1st April 2023		2024-25 Increase from 1st April 2024	
		%		%
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 Increase from 1st April 2023		2024-25 Increase from 1st April 2024	
		%		%
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 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
Thames Basin Heath Special Protection Area Avoidance Strategy (2017)	10.50	2.4%	12.00	14.3%

Development Briefs and Other Strategies

Thames Basin Heath Special Protection Area Avoidance Strategy (2017)

*= includes VAT at 20%

2023-24 Increase **2024-25 Increase**
 from 1st April 2023 from 1st April 2024
 %

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	Increase		2023-24	Increase
	from 1st April 2023	%		from 1st April 2024	

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

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.

	2023-24 Increase from 1st April 2023	%	2024-25 Increase from 1st April 2024	
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To be approved by Council

Adult education, History of Guildford class

Twenty sessions (subject to change depending on course requirements)

118.50	3.0%	130.00	9.7%
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Exhibition Space Hire, Heritage Buildings

Guildford House

Brew House - one week hire

180.30	3.0%	195.00	8.2%
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Main House - Garden Room - three week hire

391.40	3.0%	420.00	7.3%
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Main House - First Floor: Pine Room, Study, Landing, Powell Room - three week hire

885.80	3.0%	950.00	7.2%
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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%
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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%
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Full House - all rooms

1277.20	3.0%	1,400.00	9.6%
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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%
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Full Day, 9.00am - 4.00pm

231.80	3.0%	250.00	7.9%
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*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
Guildford Castle				
<u>Day Hire</u>				
(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				
<u>Daily rates (Museum meeting room+)</u>				
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				
<u>Guildhall whole building</u>				
(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 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		

Guildhall Court Room

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%

Guildhall Council Chamber

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%
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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%
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*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		
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%

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

Commercial publications with print runs up to 1,000 copies, one country / language

Commercial publications with print runs up to 10,000 copies, one country / language

Commercial publications with print runs over 10,000 copies, one country / language

Books and magazine covers

Television, one production, one country and one language

Digital use for academic use that is not for profit

Digital use commercial

All requests are subject to a £15 administration fee. 20% discount will be applied where more than five images are used.

*= 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	75.00	65.00	-13%
Band B posters	40.00	52.00	30%
Non commercial advertising			
10 x4ft banners	48.00	54.00	13%
Band A posters	43.00	N/A	
Band B posters	32.00	41.00	28%
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	120.00	150.00	25%
Lower High Street - Rental per space - Rental per week	400.00	350.00	-13%
Lower High Street - Rental per space - Rental subsequent week	145.00	150.00	3%
Non commercial			
Upper High Street - Rental per space - Rental per week	245.00	200.00	-18%
Upper High Street - Rental per space - Rental subsequent week	90.00	50.00	-44%
Lower High Street - Rental per space - Rental per week	300.00	250.00	-17%
Lower High Street - Rental per space - Rental subsequent week	110.00	50.00	-55%
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 **2024-25**
from 1st April 2023 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 **2024-25**
from 1st April 2023 from 1st April 2024

Agenda item number: 5
Appendix 3

	2023-24	2024-25	
	from 1st April 2023	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 **2024-25**
from 1st April 2023 from 1st April 2024

reasonable legal costs are payable.

Management Packs

LPE1
Expedited service (pack produced in less than 10 days)
Additional Enquiries
Notice

£300
£400
from £50
£35

Approved by the Government

Electoral Register Sales

Fees are set by Statute and are available on request.

*= includes VAT at 20%

	2023-24 Increase		2024-25 Increase	
	from 1st April 2023		from 1st April 2024	
		%		%
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 assessment.

If a client has accessible savings in excess of £6,000, they may be required to meet the full cost of the provision of the bed and breakfast placement, less any HB subsidy available.

Each application will be considered on its merits and exceptions may apply in special cases. Examples include access to capital assets and the need to fund any onward accommodation solutions, such as rent in advance costs, rent deposit costs or other reasonable housing costs such as removals and essential white goods that may require purchasing in order to facilitate a move – on from interim accommodation.

	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 (Sheeples)

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%

*= includes VAT at 20%

	2023-24	Increase	2024-25	Increase
	from 1st April 2023	%	from 1st April 2024	%
	162.70	3.0%	175	7.6%

Evening to 9.00 pm

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

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 20224-25, 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.

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 if 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.

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	Receipts in Year	Transfers out in Year	Adjustments	Estimated Balance at 31 March 2024	Notes	Usage in 2023-24
	£000	£000	£000	£000	£000		
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 From MTFP Parks 60k, Finance staff 62k
Financial Recovery Plan	0	-800,000	125,000		-675,000		
Carried Forward Items	-870,238	0	122,000	0	-748,238		
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		
Usable Reserves	-11,242,569	-1,800,000	3,897,230	-1,536,000	-10,681,338	£110k to be added pa from 25/26 = £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 contract
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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**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.

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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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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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 The Joint EAB and Corporate Governance & Standards Committee are asked to comment on the following recommendations that will be considered by the Executive on 25 January:

That the Executive approves

- (1) the new bids, as shown 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.

The Executive will be asked to recommend (to Council 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					TOTAL COST £000
		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £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 refurb	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.

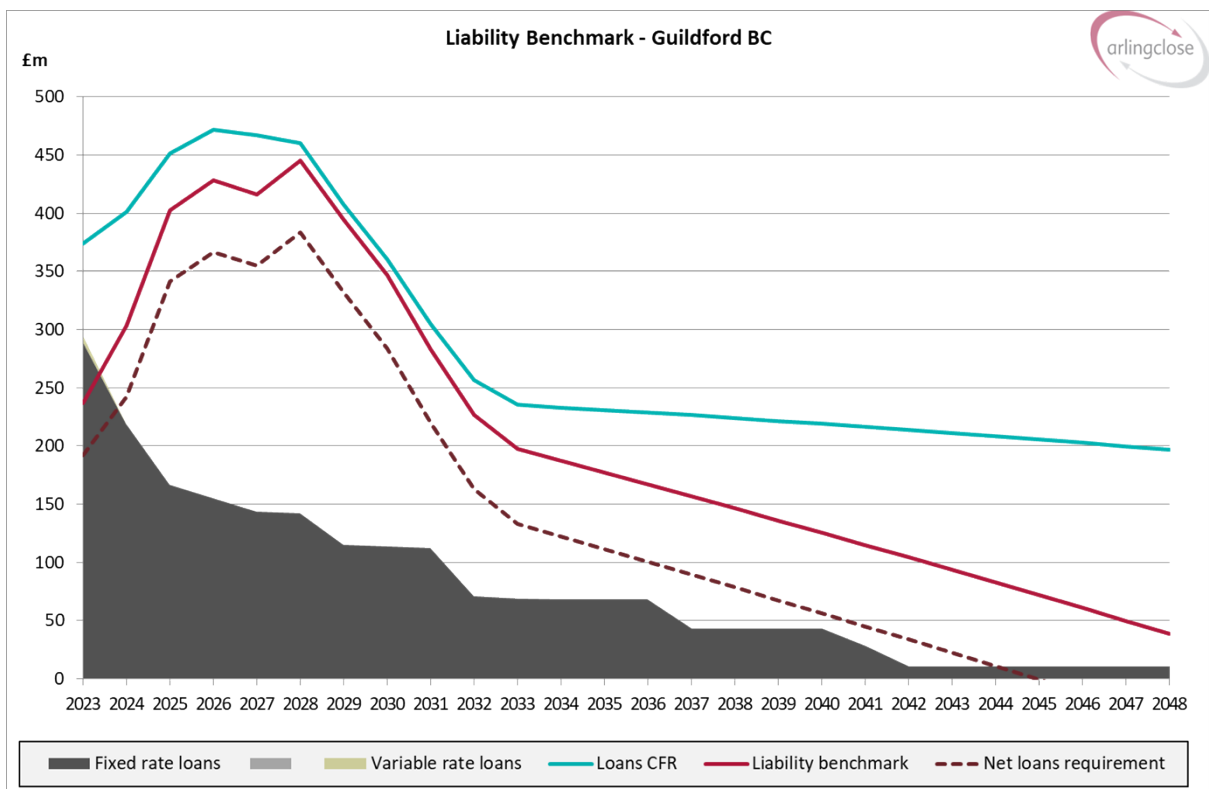
Estimates of the CFR, Gross Debt, and the Liability Benchmark

- 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:

Position at 31 March	Actual	Forecasts		£m			
	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 or 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 discretionary 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 MiFID¹ 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

20.1. To be inserted

21. Corporate Governance & Standards Committee Comments

21.1 To be inserted

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
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

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.

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 political 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 (MPF) 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.

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.

	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

- 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		
<u>Managed in-house</u>		
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
<u>Pooled Funds</u>		
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.

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.

- 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.

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

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.

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 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.

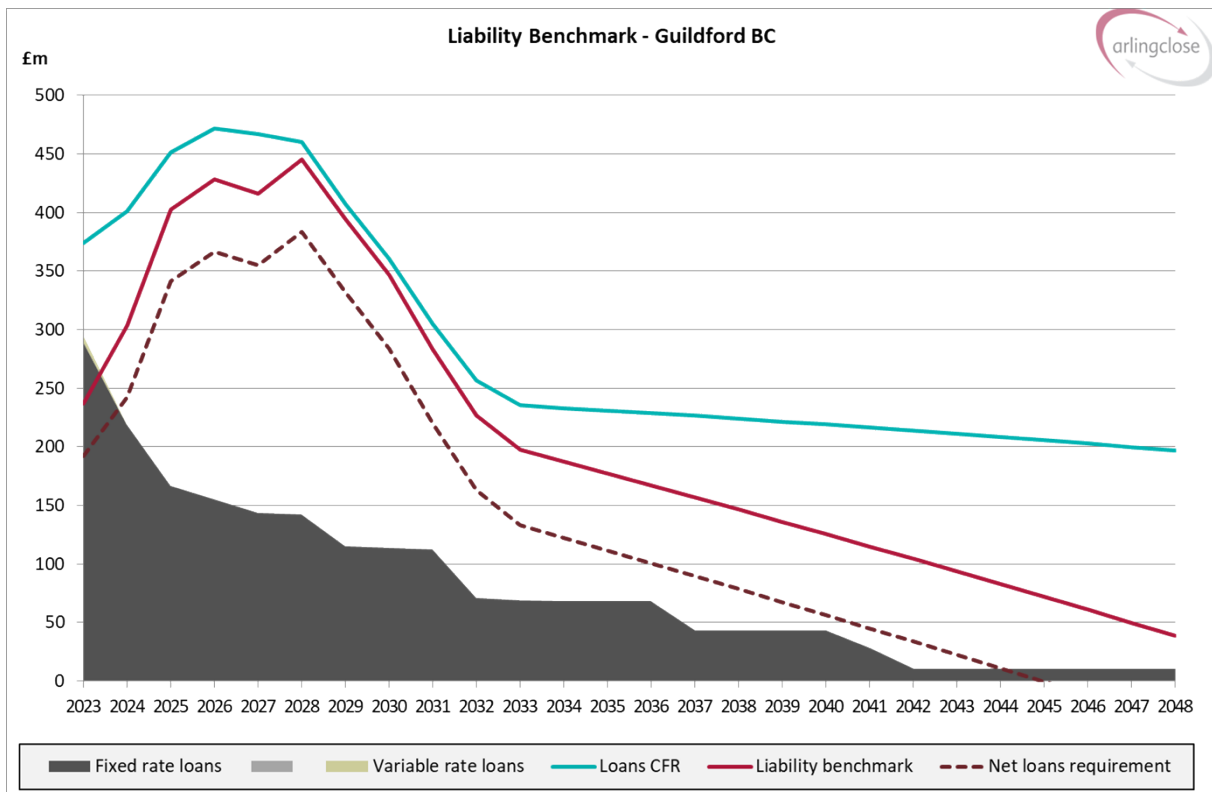
5. Treasury management, borrowing and investment strategy

- 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.

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).

Position at 31 March	Actual	Forecasts		£m			
	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.
- 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.

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 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 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
 - 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.

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.

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

Ref	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-23	2023-24		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
						Estimate approved by Council in February	Revised estimate										
				(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(f)+(g) = (h)	(i)
				£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£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	
APPROVED S106 SCHEMES - TOTAL	
GRAND TOTAL	

76	122	303	30	303	-	-	-	-	-	-	-	378	(378)
76	122	303	30	303	-	-	-	-	-	-	-	378	(378)

FINANCED BY - S106 CONTRIBUTIONS

(76)	(122)	(303)	(30)	(303)	-	-	-	-	-	-	-	(378)	378
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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE

Item No.	Project Officer	Code	Projects & Sources of Funding	Approved gross estimate (a) £000	Cumulative spend at 31-03-23 (b) £000	2023-24		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) = £000
						Estimate approved by Council in February (c) £000	Revised estimate (d) £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: <i>GBC 'Invest to Save' energy projects (to be repaid in line with savings)</i>													
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	& 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 :																
R-SPA1		P20...	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
		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

Appendix 2
Agenda item number: 6

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)

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Balance after funding capital expenditure as at 31 March

	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)
	136	0	0	0	0	2,814	8,000	58,847

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Appendix 2

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

3.0 Capital expenditure and funding - summary

Estimated capital expenditure

Main programme - approved
Main programme - provisional
s106
Reserves
GF Housing

Total estimated capital expenditure

To be funded by:

Capital receipts (*per 2.above*)
Contributions
R.C.C.O. :
Other reserves

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

Total funding required

	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
	34,053	147,359	72,123	88,944	2,496	2,000	2,000	0
	0	48,308	458	93,392	59,690	14,841	8,365	5,380
	283	122	303	0	0	0	0	0
	1,109	1,031	1,514	1,120	0	0	0	0
	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
	(159)	0	(2,681)	(2,000)	(39,109)	(16,091)	(10,365)	(5,380)
	(6,862)	(46,336)	(49,079)	(20,622)	(1,020)	(750)	0	0
	(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)
	(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)

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4.0 General Fund Capital Schemes Reserve (U01030)

Balance as at 1 April
Add: General Fund Revenue Budget variations
Contribution from revenue

Less: Applied re funding of capital programme

Balance after funding capital expenditure etc.as at 31 March

	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
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	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
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Agenda item number: 6
Appendix 2

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

Balance as at 1 April (T01008)
 Add: Estimated receipts in year
 Less: Applied re Housing (General Fund) capital programme
 Less: Applied re Housing company

	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 (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

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

Balance as at 1 April (T01012)
 Add: Estimated receipts in year
 Less: Applied re Housing (General Fund) capital programme
 Less: Applied re Housing Improvement programme

	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 (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

Bids for funding (net)

Total estimated borrowing requirement if all bids on Appendix 1 approved

	26,035	149,353	20,840	159,642	22,057	0	0	0	202,539
Total estimated borrowing requirement if all bids on Appendix 1 approved		149,353	20,840	159,642	22,057	0	0	0	202,539

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

Ref	Bid ref	Code	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-23	2023-24										Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
						Estimate approved by Council in February	Revised estimate	Expenditure at 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				
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)		
				£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	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	Marrow lane grille & headwall construction	60	3	-	57	-	-	57	-	-	-	60	-	-	-	60	
PLACE DIRECTORATE TOTAL				1,367	876	242	491	22	71	420	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	376	(56)	-	320	
PL34	PR186	P04009	Stoke cemetery 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	-	-	-	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	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	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	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	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	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	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	95,440	306,459	-102,882	-2,450	201,127	

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

Ref	Veto ref	Code	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	2023-24											Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council	
					Cumulative spend at 31-03-23	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					2030-31 Est for year
(a)	(b)	(c)	(e)	(f)	(g)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(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 & Bridges	3,218	-	2,718	2,718	-	-	2,718	500	-	-	-	3,218	3,218	-	3,218		
ED28(P)			Bridges	370	-	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)	PR261		Surface water management plan	200	-	200	200	-	-	200	-	-	-	-	200	200	-	200		
PL62(p)	Bid 4 2223		Chilworth Gunpowder Mills	180	-	165	176	-	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, Plans & Equipment Replacement Programme	21,850	-	2,900	2,900	-	-	-	3,085	2,766	7,183	5,330	2,000	600	886	21,850		
PL18(P)			Refurbishment / rebuild Sutherland Memorial Park Pavilion (no longer reqd)	150	-	-	-	-	-	-	-	-	-	-	-	-	-	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		Milmead fish pass	60	-	60	60	-	-	60	-	-	-	-	60	60	-	60		
PL63(p)	Bid 9 2223		Memorial Wall	100	-	-	-	-	-	-	100	-	-	-	100	100	-	100		
PL34(p)	Bid 10 2223		Stoke cemetery re-landscaping	18	-	18	18	-	-	-	-	-	-	-	18	18	-	18		
PL64(p)	BID 1 2324		Lido Road Allotment Security Fencing	70	-	70	70	-	70	-	-	-	-	-	70	70	-	70		
PL65(p)	BID 2 2324		2015 Play strategy action plan (no longer reqd)	200	-	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	(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		
TRANSFORMATION & GOVERNANCE DIRECTORATE TOTAL				7,100	-	1,250	1,250	-	-	3,000	2,300	1,150	650	-	-	-	-	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 Corridor (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		
OP24(p)	BID 4 2324		Development Financial - PLACE DIRECTORATE	2,430	-	200	200	-	200	2,200	30	-	-	-	2,230	2,430	-	2,430		
ED16(P)	PR350		WUV (Wayside 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	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	(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	(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	(29)	186,533

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Appendix 2

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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	0	0	0	10,657
Shawfield Redevelopment	300		4	296	0	296	0	0	296	0	0	0	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														
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, Bathrooms & 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	2022-23 Actual	Project Spend at 31-03-23	2023-24 Estimate	Carry Forward	2023-24 Revised Estimate	2023-24 Projected Outturn	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	Total Project Exp
	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£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

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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

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

Money Market Code Principles

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

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

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

Ethics

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

Governance and Risk Management

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

Information Sharing, Confidentiality and Communications

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

Execution, Surveillance, Confirmations and Settlement

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

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Economic and Interest Rate Forecast

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

Guildford Borough Council
Flexible Use of Capital Receipts Strategy 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 regulator determine that the bank is failing or likely to fail.

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

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

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

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

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

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

CLG – Department for Communities and Local Government

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

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

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

Counterparty – the organisation the Council is investing with

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

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

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

Creditworthiness – a measure of the ability to meet debt obligations

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

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

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

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

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

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

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

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

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

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

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

Housing Grants – see Affordable Housing Grants

Illiquid – cannot be easily converted into cash

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

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

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

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

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

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

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

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

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

Money Market - the market in which institutions borrow and lend

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

- Constant net asset value (CNAV) refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at £1 and calculate their price to two decimal places known as “penny rounding”. Most CNAV funds distribute income to investors on a regular basis (distributing share class), though some may choose to accumulate the income, or add it on to the NAV (accumulating share class). The NAV of accumulating CNAV funds will vary by the income received.
- Variable net asset value (VNAV) refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary

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

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

Money Market Rates – interest rates on money market investments

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

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

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

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

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

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

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

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

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

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

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

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

Sovereign – the countries the Council are able to invest in

Specified Investments - Specified investments are defined as:

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

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

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

SWAP Bid – a benchmark interest rate used by institutions

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

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

Treasurynet – the Council's cash management system

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

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

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

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