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Contact Officer:

John Armstrong, Democratic Services Manager
Tel: 01483 444102

10 January 2018

Dear Councillor

Your attendance is requested at a meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 18 JANUARY 2018 at 7.00 pm.**

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE COMMITTEE

Chairman: Councillor Gordon Jackson
Vice-Chairman: Councillor Jo Randall

Councillor Alexandra Chesterfield	+Mrs Maria Angel
Councillor Colin Cross	^Mr Charles Hope
Councillor Mike Hurdle	^Ms Geraldine Reffo
Councillor Nigel Kearse	^Mr Ian Symes
Councillor Nigel Manning	

+Independent member

^ Parish member

Authorised Substitute Members:

Councillor Richard Billington	Councillor Christian Holliday
Councillor Andrew Gomm	Councillor Susan Parker
Councillor David Goodwin	Councillor David Reeve
Councillor Liz Hogger	Councillor Caroline Reeves

WEBCASTING NOTICE

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If you make a representation to the meeting you will be deemed to have consented to being recorded. By entering the Council Chamber, you are also consenting to being recorded and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you have any queries regarding webcasting of meetings, please contact Committee Services on 01483 444102.

QUORUM 3



THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

Five fundamental themes that support the achievement of our vision:

- **Our Borough** - ensuring that proportional and managed growth for future generations meets our community and economic needs
- **Our Economy** - improving prosperity for all by enabling a dynamic, productive and sustainable economy that provides jobs and homes for local people
- **Our Infrastructure** - working with partners to deliver the massive improvements needed in the next 20 years, including tackling congestion issues
- **Our Environment** - improving sustainability and protecting our countryside, balancing this with the needs of the rural and wider economy
- **Our Society** - believing that every person matters and concentrating on the needs of the less advantaged

Your Council – working to ensure a sustainable financial future to deliver improved and innovative services

Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

Mission – for the Council

A forward looking, efficiently run Council, working in partnership with others and providing first class services that give our society value for money, now and for the future.

AGENDA

ITEM

- 1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 LOCAL CODE OF CONDUCT - DISCLOSURE OF 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 also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, you must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.
- 3 MINUTES** (Pages 1 - 4)

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 30 November 2017 (attached).
- 4 FREEDOM OF INFORMATION COMPLIANCE - ANNUAL REPORT 2017**
(Pages 5 - 10)
- 5 FINANCIAL MONITORING 2017-18 PERIOD 8 (APRIL TO NOVEMBER 2017)**
(Pages 11 - 72)
- 6 CAPITAL AND INVESTMENT STRATEGY (2018-19 TO 2021-22)** (Pages 73 - 312)
- 7 EQUALITY SCHEME** (Pages 313 - 336)
- 8 GENERAL DATA PROTECTION REGULATION (GDPR) - UPDATE** (Pages 337 - 340)
- 9 CORPORATE GOVERNANCE AND STANDARDS COMMITTEE - WORK PROGRAMME FOR 2018-19** (Pages 341 - 350)
- 10 EXCLUSION OF THE PUBLIC**

The Committee is asked to consider passing the following resolution:

“That under Section 100A(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.
- 11 GENERAL FUND CAPITAL PROGRAMME BID NOS. 97, 169, 261 AND 268 - DETAILS OF PROPOSALS** (Pages 351 - 394)

The above-mentioned bids are to be considered in conjunction with agenda item 6 on this agenda.

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CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

30 November 2017

- * Councillor Gordon Jackson (Chairman)
- * Councillor Jo Randall (Vice-Chairman)

- | | |
|-----------------------------------|--------------------|
| Councillor Alexandra Chesterfield | * Mrs Maria Angel |
| * Councillor Colin Cross | * Mr Charles Hope |
| * Councillor Mike Hurdle | Ms Geraldine Reffo |
| * Councillor Nigel Kearse | * Mr Ian Symes |
| Councillor Nigel Manning | |

*Present

The Lead Councillor for Finance and Asset Management, Councillor Michael Illman was also in attendance.

CGS30 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Alexandra Chesterfield and Nigel Manning and from Gerry Reffo.

CGS31 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interests.

CGS32 MINUTES

The Committee confirmed as a correct record the minutes of the meeting held on 21 September 2017. The Chairman signed the minutes.

CGS33 ANNUAL AUDIT LETTER 2016-17

The Committee considered the Annual Audit Letter for 2016-17 issued by the external auditors, Grant Thornton.

The external audit for 2016-17 had been completed and the independent auditor had now issued their Annual Audit Letter, a copy of which was appended to the report submitted to the Committee. The Annual Audit Letter included findings and recommendations that had been raised in the Audit Findings Report presented to the Committee at its meeting on 21 September 2017.

The Committee

RESOLVED: That the Annual Audit Letter for 2016-17 be commended to the Executive for approval.

Reason:

To approve the Annual Audit Letter

CGS34 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL TO SEPTEMBER 2017)

The Committee considered the summary of Internal Audit Reports and other associated work for the period April – September 2017, together with progress against the audit plan.

Questions from the Committee raised the following points and information:

- In relation to the fuel management issue, it was confirmed that staff training was being put in place and it would be monitored as part of a wider audit of vehicle management during the year, the outcome of which would be reported back to the Committee. It was also proposed to introduce software into the payments system that would identify duplicate payments before they were actually paid.
- It was confirmed that it was still proposed to introduce a complaints management module to the existing e-Case Freedom of Information (FoI) system, which would enable details of the number and type of complaints received to be reported to the Committee as part of the six monthly update report on FoI requests.
- In relation to the work undertaken by Internal Audit earlier this year with the Electoral Services team to test controls and identify administrative improvements, it was noted that whilst Guildford's processes and management controls were sound, there was risk around the adequacy of systems in place in neighbouring boroughs with whom the Council exchanged data sets on electors in respect of Parliamentary Elections.

Having considered the various reports, the Committee,

RESOLVED: That the summary of audit reports for the period April to September 2017, together with progress against the audit plan, be noted.

Reason:

To ensure an adequate level of audit coverage.

CGS35 FINANCIAL MONITORING 2017-18: PERIOD 6 (APRIL TO SEPTEMBER 2017)

The Committee considered a report that set out the financial monitoring position for period 6 (April to September 2017).

The report summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for this period. Officers were projecting a reduction in net expenditure on the general fund revenue account of £1,406,830. This was the result of a combination of factors, which included a reduction in employee expenditure across all services, higher than assumed levels of grant support and a reduction in the statutory Minimum Revenue Provision (MRP) charge to the General Fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflected a re-profiling of capital schemes, which also had a positive impact on the level of cash balances and assumed external borrowing costs, which had combined to produce higher than budgeted net interest receipts.

A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs would enable a projected transfer of £8.79 million to the new build reserve and £2.5 million to the reserve for future capital at year-end, which had been £560,731 higher than budgeted.

Officers were making progress against significant capital projects on the approved programme as outlined in section 7 of the report. The Council was expected to spend £38.7 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme was expected to be £25.7 million by 31 March 2018, against an estimated position of £87.7 million, which was due to slippage on both the approved and provisional capital programme.

The Council held £135.1 million of investments and £233.3 million of external borrowing as at 30 September 2017, which included £193 million of HRA loans. Officers confirmed that the

Council had complied with its Prudential indicators in the period, which were set in February 2017 as part of the Council's Treasury Management Strategy.

During the debate, the Committee made a number of comments, including:

- It was not expected that the weighted average rate of interest in respect of PWLB debt would increase significantly for the foreseeable future.
- The £115,000 overspend on the Parks and Countryside budget in respect of traveller costs/contract arrangements comprised legal costs and costs associated with securing sites once travellers had moved on.
- Although the Council did not budget for traveller incursions, contingency arrangements were put in place to deal with them as and when required.
- The Council would normally allow up to five years to recover the initial capital value of externally managed funds that did not perform as well as expected
- The Council had commissioned a feasibility study to evaluate options for the replacement for Guildford Spectrum within ten to fifteen years.

Having considered the report, the Committee

RESOLVED: That the results of the Council's financial monitoring for the period April to September 2017 be noted.

Reason:

To allow the Committee to undertake its role in relation to scrutinising the Council's finances.

CGS36 GENERAL DATA PROTECTION REGULATION - UPDATE

The Committee received and noted an update report on action taken to progress the implementation of the General Data Protection Regulation by 25 May 2018.

The Project Board had met on 18 October 2017 to develop a training and awareness programme for staff and councillors, including parish councillors.

The Board had discussed the requirement to review the data held by all services and to conduct a review of the Council's systems and processes regarding the handling of personal data. The Board was also reviewing the Information Asset Registers for all services.

In line with the GDPR Governance structure adopted by the Committee at its meeting on 21 September 2017, the Council's Data Protection Officer (DPO) had provided verbal updates to the Director of Resources, Corporate Governance Group and also the Executive/Management Team Liaison Group and Corporate Management Team.

In response to comments from the Committee, it was noted that:

- Should the Council be found liable for a serious breach of the GDPR, any significant fine would be funded from reserves
- Some parish councils had already received training by third parties on the implications of GDPR and, although the Borough Council would assist parish councils with awareness training, it was up to each parish council to ensure that they complied with the requirements of GDPR.
- Although details of the training had not yet been finalised, it would be useful if parish clerks were also invited to attend.

The Committee

RESOLVED: That the update report be noted.

Agenda item number: 3

Reason:

To review the Council's progress in complying with the GDPR by 25 May 2018.

CGS37 WORK PROGRAMME

The Committee, having considered its updated work programme for the remainder of the 2017-18 municipal year,

RESOLVED: That the updated work programme for 2017-18, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

The meeting finished at 7.49 pm

Signed

Chairman

Date

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Resources

Author: Ciaran Ward

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Lead Councillor responsible: Matt Furniss

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Email: matt.furniss@guildford.gov.uk

Date: 18 January 2018

Freedom of Information Compliance: Annual Report 2017

Executive Summary

This is a regular report to monitor the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests.

The Council's performance rate for delivery of FOIs during the calendar year 2017 is 91.5%, which compares favourably with the figure of 89% recorded at the end of 2016. The Council therefore exceeds both the Information Commissioner's performance indicator of 85%, and the 90% target agreed by Corporate Management Team.

Appendix 1 shows details of requests received by service area for the year and Appendix 2 provides details of the types of person requesting information.

Recommendation to Committee

That the Committee notes the Freedom of Information Compliance Annual Report for 2017.

Reasons for Recommendations

- To ensure that Members are kept up to date with developments in the FOI/EIR framework
- To ensure that Members have the necessary information to enable requests for information to be made easily to the Council and properly responded to
- To assist with learning lessons and improving performance following requests for information made to the Council

1. Purpose of Report

- 1.1 The Corporate Governance and Standards Committee has requested this report to ensure the Council improves its response timescales for FOI and EIR requests.

- 1.2 Promoting openness and transparency in Council policy and decision-making is essential to promote public confidence within the Borough in order to improve prosperity and well-being as outlined in the Strategic Framework – i.e. the Council “will be open and accountable”.
- 1.3 Effective compliance with information governance, including the management of the Council’s FOI/EIR regime plays a key part in achieving these objectives.

2. Background

- 2.1 The Council is required to respond to FOI and EIR requests within 20 working days, subject to certain exceptions as long as the requester is kept informed, for example extra time can be taken to consider the Public Interest Test (PIT).

3. Update on progress in 2017

- 3.1 As at 7 December 2017, the Council had received 694 FOI/EIR requests during the calendar year. A total of 689 had been received at this stage last year, so the increase in volume has been negligible over the last 12 months.
- 3.2 The Council’s performance time currently stands at 91.5% of requests being closed within the statutory 20 working day period, compared with a figure of 89% in 2016 – a welcome increase of 2.5%.

4. Requests received by Directorate, January – December 2017 (up to 7 December 2017)

- 4.1 The Resources directorate received the most requests with a total of 241 (38% of the total number received).
- 4.2 Of these requests, 94% were answered within the 20 working day time-scale, which makes it joint best performing directorate alongside Planning and Regeneration.
- 4.3 All five directorates are currently performing above the Information Commissioner’s Office’s minimum performance target of 85%. This figure compares favourably with last year when four out of the five were above 85%.

Fig 1 – Table of Requests received by directorate and percentage answered in time*

Directorate	Number of requests received	Requests answered in time (within 20 working days)	Percentage answered in time
Environment	100	86	86%
Resources	241	227	94%
Management Team	17	15**	88%
Community	213	193	90.5%
Planning & Regeneration	56	53	94.5%
TOTAL/AVERAGE	627	574	91.5%

* Figures do not tally with total amount of requests received, as some requests are still open and within the statutory deadline at the time of writing, so are not included here.

**The two overdue requests both related to expenditure on communications and PR. For details of overdue requests from the other directorates (broken down by service area), see table in Appendix 1.

5. Exemptions

- 5.1 The most frequently used exemption under the Freedom of Information Act used for withholding requested information (either partially or completely) was section 21 (information available by other means), which was used on 39 occasions to date this calendar year. This compares similarly with last year's figures when the same exemption was used 23 times
- 5.2 Most of these requests related to either business rates or public funerals.
- 5.3 This is largely due to business rates and public funerals information being readily available on the Council's website. The greater the amount of pro-actively published online information, the less time and effort will be required of FOIs. A project to set up a disclosure log of FOI/EIR responses for publication on the Council's website is currently in progress and is being managed in liaison with Fivium, the company which provides the eCase system.
- 5.4 The next most commonly applied exemption was section 12 (where the time and cost to collate the information would exceed the statutory limit of 18 hours) which was used 27 times – in comparison with a total of 14 times during the 2017 calendar year.

6. Internal Reviews and cases referred to the Information Commissioner's Office (ICO)

- 6.1 Eight requests so far this year have gone to internal review stage. Of those, five of the appeals were dismissed and three were allowed.
- 6.2 One case was referred to the ICO. In March 2017, the Council had received an Environmental Information Regulations (EIR) request for documents on vehicular access to the Blackwell Farm site in the context of the Local Plan. We withheld some of the information on the basis that it constituted unfinished or incomplete data and was therefore exempt under the EIRs. The requester was unhappy with the Council's decision and subsequently appealed to the ICO.
- 6.3 On 28 November, following completion of their investigation the ICO issued a decision notice which ruled in the Council's favour, upholding the exemption and therefore not requiring us not to take any further steps. The ruling has been published on the ICO website:

<https://ico.org.uk/media/action-weve-taken/decision-notices/2017/2172856/fer0664339.pdf>

7. Equality and Diversity Implications

- 7.1 No Equality and Diversity Implications apply to this report.

8. Financial Implications

8.1 There are no financial implications to this report.

9. Legal Implications

9.1 Failure to respond to FOI/EIR requests within 20 working days is a breach of the respective legislation. Requesters whose FOIs/EIRs have not been answered within the statutory time limit have the right to request an internal review and/or to make a formal complaint to the Information Commissioner's Office (ICO). There are therefore direct legal implications associated with the risk of reputational damage to the council, adverse publicity and active monitoring by the ICO.

10. Human Resource Implications

10.1 There are no proposals in this report with any direct HR implications.

11. Summary of Actions

11.1 Directors will ensure requests in their service areas remaining overdue or approaching their deadline date are resolved as soon as possible so that current standards can be kept up and if possible exceeded.

12. Conclusion

12.1 The Council's overall performance on the timely delivery of information requests is now at the required standard. However, there is still room for improvement. The Council will continue to strive to achieve as close to 100% compliance as possible.

13. Background Papers

None

14. Appendices

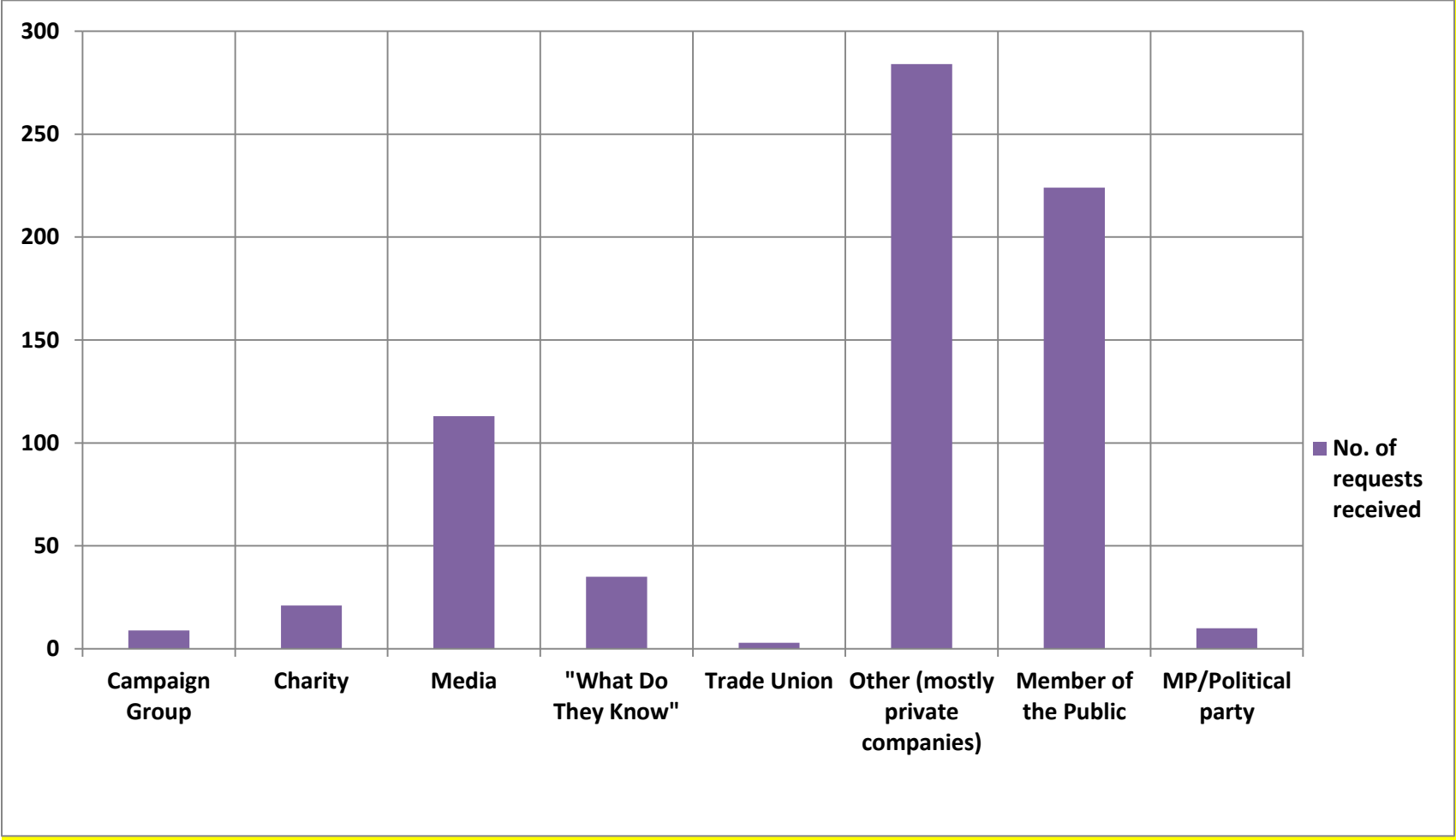
Appendix 1: Requests received by service area, 01/01/17 – 10/12/17

Appendix 2: Categories of persons requesting information

Appendix 1 - Requests received by service area, 01/01/17 – 10/12/17

Service Area	Total requests	Total answered in time	Percentage
Asset Development	12	11	92%
Licensing	25	25	100%
Environmental Health	57	54	94%
Private Sector Housing	25	23	92%
Public Health	10	7	70%
Housing Advice	44	42	95%
Community Development	2	0	0%
Landlord Services	15	9	60%
Repairs	23	22	95.5%
Audit	2	2	100%
PR & Marketing	5	3	60%
Policy & Partnership	10	10	100%
Bereavement	3	3	100%
Fleet & Waste	8	6	75%
Cleansing/Recycling	33	28	85%
Engineers	2	2	100%
Heritage	1	1	100%
Local Economy	3	2	67%
Parking	29	25	86%
Parks & Leisure	21	19	90%
Major Projects	3	2	67%
Planning	53	51	96%
Benefits	8	8	100%
Business Rates	67	67	100%
Council Tax	19	18	95%
Customer Service	6	6	100%
Democratic Services	12	12	100%
ePayments	4	4	100%
Facilities Management	9	8	89%
Financial	24	20	83%
HR	28	25	89%
ICT	34	32	94%
Investigations	1	1	100%
Legal	26	23	88%
Payroll & Insurance	3	3	100%
TOTAL	627	574	91.5%

Appendix 2: Categories of persons requesting information



Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: Claire Morris

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Email: claire.morris@guildford.gov.uk

Lead Councillor responsible: Michael Illman

Tel: 07742 731535

Email: michael.illman@guildford.gov.uk

Date: 18 January 2018

Financial Monitoring 2017-18: Period 8 (April to November 2017)

Executive Summary

The report summarises the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April to November 2017.

Officers are projecting a reduction in net expenditure on the general fund revenue account of £1,263,353 (representing 2.86% of its original net budget). This is the result of a combination of factors, which include a reduction in employee expenditure across all services, higher than assumed levels of grant support and a reduction in the statutory Minimum Revenue Provision (MRP) charge to the general fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflects a re-profiling of capital schemes, which has also had a positive impact on the level of our cash balances and assumed external borrowing costs, which have combined to produce higher than budgeted net interest receipts.

A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs will enable a projected transfer of £9.15 million to the new build reserve and £2.5 million to the reserve for future capital at year-end. The transfer is £918,479 higher than budgeted.

Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £33.3 million on its capital schemes by the end of the financial year. The expenditure is higher than it has been for many years and demonstrates progress in delivering the Council's capital programme.

The Council's underlying need to borrow to finance the capital programme is expected to be £20.2 million by 31 March 2018, against an estimated position of £87.7 million. The lower underlying need to borrow is a result of slippage on both the approved and provisional capital programme as detailed in paragraph 7.3 to 7.6 of the report.

The Council held £145.7 million of investments and £242.2 million of external borrowing at 30 November 2017, which includes £193 million of HRA loans. Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2017 as part of the Council's Treasury Management Strategy.

Recommendation to Corporate Governance and Standards Committee

That the Committee notes the results of the Council's financial monitoring for the period April to November 2017 and makes any comments it feels appropriate

Reason for Recommendation:

To allow the Committee to undertake its role in relation to scrutinising the Council's finances.

1. Purpose of Report

- 1.1 Recommendation 8 of the 2015 Council Governance Review was: 'That the importance of the Corporate Governance and Standards Committee to the Council be recognised, particularly in the way in which it supports the overview and scrutiny function through ongoing scrutiny of financial matters, including its proposed expanded remit on the treasury management function and budget monitoring'.
- 1.2 This Committee started its enhanced review of our financial management at its meeting on 24 September 2015. This report covers the period April to November 2017.

2. Strategic Priorities

- 2.1 Councillors have reviewed and adopted an ambitious corporate plan for the period 2015-2020. The plan includes many significant projects and aspirations that will challenge us financially. Monitoring of our financial position during the course of the financial year is a critical part of our management of resources that will ultimately support delivery of the corporate plan.

3 Background

- 3.1 The Council regularly undertakes financial monitoring in a number of ways:
 - (a) two types of general fund revenue budget monitoring report; a full monitor for periods 3, 6, 8 and 10 and a shorter monitor for the other periods (except April) covering key service areas (Industrial Estates, Investment Property, Development Control, Major Projects, Planning Policy, Off Street Parking, Refuse and Recycling, Parks and Countryside). This report covers the period to November 2017 (period 8) and covers all Council services
 - (b) quarterly monitoring of the capital programme
 - (c) monthly and quarterly monitoring of its treasury management activity
 - (d) monitoring at periods 3,6,8 and 10 of the Housing Revenue Account
- 3.2 The Council's Corporate Management Team (CMT), Chief Finance Officer and deputy, and officer capital programme monitoring group review monitoring

reports. Financial monitoring for all services is reported to this Committee on a regular basis.

- 3.3 This report sets out the financial monitoring and covers:
- (a) general fund revenue monitoring (section 4)
 - (b) housing revenue account monitoring (section 5)
 - (c) treasury management (section 6)
 - (d) capital programmes (section 7)

4 General Fund Revenue Account monitoring

- 4.1 **Appendix 1** shows the summary monitoring report for the general fund revenue account. Officers have prepared the projected outturn on eight months' actual and accrued data.
- 4.2 **Appendix 2** shows detailed information for each service split between direct expenditure and income and indirect costs. We monitor the projected outturn against the revised (or latest) budget as this takes into account any virements or supplementary estimates approved since the original budget was set in February 2017.
- 4.3 At total service unit level, the projected outturn is £147,412 higher than the latest estimate. There are items within the contributions to reserves that reverse figures within the service units. When these adjustments are taken into account, the projected outturn is £399,210 higher than the latest estimate.
- 4.4 Following the receipt of dividends for the quarter, the return on external funds has been reforecast and net external interest receivable is projected to be £969,694 higher than our original estimate.
- 4.5 The Minimum Revenue Provision (MRP), based on the Capital Financing Requirement (CFR) at 31 March 2017 for the purposes of this report is shown as £573,852. This is £654,732 lower than estimated. The reduction is due to slippage in the capital programme experienced during 2016-17.
- 4.6 The overall projected position for net expenditure is £1,263,353 lower than estimate.
- 4.7 The table shows the supplementary estimates and virements approved to date.

Supplementary Estimates 2017-18

Service/Description	Approval Date	Committee	Value
Replacement Cremator	5 April 2017	Executive	£211,750
Joint Enforcement Team (receipt of grant)	21 April 2017	Executive	(£24,000)
Joint Enforcement Team (authority to spend grant)	21 April 2017	Executive	£24,000
TOTAL			£211,750

Virement Record 2017-18

Service/Description	Approved by	Date of Approval	Value
Legal Services	Claire Morris	4 April 2017	£57,280
Joint Enforcement Team	Executive	21 April 2017	£86,600
Science and Arts Festival	Claire Morris	3 May 2017	£20,000
Ward Street Toilets/Stoke Park Nursery (R&M)	Claire Morris	30 August 2017	£68,000
Internal Audit/Business Improvement	Claire Morris	14 Sept 2017	£25,100
Travel and accommodation costs – China visit	Claire Morris	16 October 2017	£5,000
The Village - Site Manager	Claire Morris	18 October 2017	£15,000
The Village - Transformation into events led venue	Council	5 Dec 2017	£631,042
TOTAL			£908,022

- 4.8 Unlike the old formula grant system, not all of the income and payments relating to the Business Rates Retention Scheme are fixed. The tariff and retained income figures do not change from the budgeted amount, but the levy and s31 grant income do. 2017-18 is the second year we have been in a Business Rates Pool.

We pay 50% of the levy that we would otherwise have had to pay to the government (50% of the estimated retained income above our baseline funding level) to the Pool. Within the budget, we have assumed that we transfer the remaining 50% of the estimated income from business rates above our government set baseline funding level to the Business Rates equalisation reserve.

In order to maintain the net effect of the BRRS on the General Fund we have adjusted this contribution as set out below:

	2017-18 Estimate (£)	2017-18 Projection (£)	Variance (£)
BRRS – tariff	30,213,400	30,213,400	0
BRRS – payment to pool re levy	652,892	690,214	37,322
Contn to BRRS equalisation reserve	1,958,675	1,996,752	38,077
	<hr/>	<hr/>	
	32,824,967	32,900,366	75,399
BRRS – s31 grant	(633,707)	(709,106)	(75,399)
BRRS – retained income	(35,250,674)	(35,250,674)	0
BRRS – net position	<hr/> (3,059,414)	<hr/> (3,059,414)	<hr/> 0

- 4.9 The table above shows an increase in our payment to the pool and an increased contribution to the equalisation reserve in order to maintain the overall impact on the general fund.

Major Service Variances

- 4.10 **Appendix 2** provides detailed information on variances at a service level. There are some services with projected larger variances in total net expenditure and these are summarised in the table below. The table below includes only items that have an impact on the bottom line and excludes additional spend financed from a reserve, an approved carry forward or items financed by savings elsewhere in the budget.

	Higher net cost (£000)	Lower net cost (£000)
Community Services		
Gypsy Traveller Sites - repair and maintenance and SCC funding	52	
Corporate Services		
Council & Committee Support - cluster funding/staff attendance		(53)
Committee Services/Democratic Representation – staff vacancies		(52)
Electoral Registration – reduction in costs of individual registration		(66)
Legal Services – external legal advice/consultant costs	156	
Public Relations and Marketing - temporary posts	57	
Development Directorate		
Industrial Estates - rent reviews		(59)
Investment/Other Property - asset development recharge, rent	101	
Major Projects - consultant costs net of salary costs		(419)
Planning Policy - savings arising from vacancies		(124)
Town Centre Management - profit share WiFi	47	
Asset Development - vacant posts net of recharges		(29)
Environment Directorate		
Electric Theatre - implications arising from change of operator	102	
Guildford House - repair and maintenance		(46)
Cemeteries and Closed Churchyards – R&M and casual staffing	39	
Guildhall - repair and maintenance		(50)
Off street Parking - rescheduling of decoration works/season tickets		(397)
Parks and Countryside - traveller costs/contract arrangements	131	
Park and Ride – removal of operating subsidy		(183)
Guildford Museum – R&M	34	
Management Directorate		
Internal Audit - savings arising from vacancies		(109)
Business Improvement - savings held elsewhere re: transformation programme	333	

	Higher net cost (£000)	Lower net cost (£000)
Resources Directorate		
ICT Business Services Team – savings arising from vacancies		(110)
Climate Change – savings arising from vacancies		(85)
ICT Customer Technical Support – consultancy/licence costs	43	
Miscellaneous Items – variation in external grant/corporate inflation		(207)
Office Services – rental income and fire risk assessments	149	
The Village – variation in rental income and expenditure	621	

5 Housing Revenue Account

5.1 **Appendix 3** shows the budget monitoring report for the Housing Revenue Account (HRA) for the period April 2017 to November 2017. At this stage of the year, the report shows the HRA gross service expenditure is projected to outturn at 99.4% of the budgeted level, whilst income is projected to be 101.4% of the budgeted level. The projected outturn would enable a transfer of around £11.65 million to the new build reserve and the reserve for future capital. The principal variations are:

- The rental income estimate for 2017-18 included a prudent allowance for Right to Buy (RTB) sales and the re-commissioning of units. Rental income is projected to be £519,310 higher than budgeted, which is broadly consistent with the previous year's income pattern after allowing for a 1% reduction in social rents.
- It is projected that salary related expenditure; net of temporary staffing, vacancy credit and redundancy costs may result in a saving against budget of up to £176,110.
- Emphasis continues to be on planned rather than responsive maintenance, supported by the benefits accruing from past levels of expenditure on planned capital and revenue maintenance works. At the midpoint of the year, the projected expenditure is anticipated to be in line with the budget.
- In accordance with the last published business plan, with the exception of receipts from RTB sales the estimates for the year do not provide for any repayment of HRA debt principal or for setting aside any amounts towards the repayment of debt. The priority in the early years of the business plan was the provision of additional housing. However, this will be subject of a review and an updated business plan will be submitted reflecting constraints placed on the HRA by changes in the Housing and Planning, and Welfare Reform and Work Acts. Once the Government have published the Regulations, the requirements around the disposal of High Value properties would come into force.
- Updated investment income projections indicate that interest on HRA balances will exceed the budget by £242,000, whilst interest payable could be £124,500 lower than estimated.

- 5.2 Tenancy arrears remain stable and are consistent with the assumptions contained in the business plan. Particular attention is paid to introductory tenancies (tenants of less than 12 months), as they often have no previous experience of managing a household budget or of renting a property. The Money Advisor continues to focus on applicants and new tenants to help them manage their money more effectively, in addition to providing support for tenants moving to Universal Credit.
- 5.3 Surrey County Council has recently announced changes to the level of Supporting People grant funding they will provide. The significant reduction in grant takes effect from 1 April 2018, and therefore does not affect the current year's income projections. Officers are currently exploring options to mitigate the impact of the reduction in funding.

6 Treasury Management

- 6.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management ("the Code") recommends that Councillors are informed of treasury management activities at least twice a year. This report therefore ensures the Council is embracing best practice in accordance with CIPFA's recommendations by reporting quarterly to Councillors.

Debt management

- 6.2 We have a substantial long-term PWLB debt portfolio for the HRA totalling £193 million, and a small amount (£5 million) for the General Fund. During the year so far, due to lower than anticipated expenditure on the capital programme (as outlined in section 7), the Council as a whole is currently only borrowing short-term for cash flow purposes. There is no cost of carry on our short-term borrowing.
- 6.3 The following table summarises the current borrowing position of the Council and the activity to period 8.

Loan type		Balance 01 April 17 £000	New loans £000	Loans repaid £000	Balance 30 Nov 17 £000	Weighted average rate of
PWLB						3.10%
Variable		45,000	0	0	45,000	
Fixed	Maturity	147,435	0	0	147,435	
	EIP	920	0	(115)	805	
Local authorities		10,000	0	(5,000)	5,000	1.20%
Total long-term Loans		203,355	0	(5,115)	198,240	
Temporary Loans		30,000	80,500	(66,500)	44,000	0.43%
Total Loans		233,355	80,500	(71,615)	242,240	

Investment activity

- 6.4 During the period, we have continued with the diversification of our in-house investment portfolio into more secure instruments such as bonds and secure

bank deposits (not subject to bail-in) in line with our Treasury Management Strategy.

- 6.5 The Council's budgeted investment income for 2017-18 is £1.47 million; the projected outturn is £1.8 million. The gross cash balances representing the Council's reserves and working balances at 30 November 2017 available for investment were £145.7 million and net of short-term borrowing £101.7 million.
- 6.6 The Council's budgeted external interest cost, which relates to short and long-term borrowing, for the year is £6.11 million and the outturn is projected to be £5.5 million.
- 6.7 The original net interest receivable budget was £490,000, this is projected to outturn at £1.46 million. This includes more interest receivable of £346,000 due to higher than anticipated cash balances and £597,000 less interest payable due to less anticipated external borrowing. The reduction in external borrowing interest cost includes £64,000 relating to the budgeted loan for Clay Lane link road, £300,000 for Major Projects strategic property capital expenditure and £200,000 loan interest on short term loans to cover capital expenditure that has now been re-profiled into future years.
- 6.8 The Council's annualised weighted return on investments for the period to November 2017 was 1.20% against an estimate of 1.713%.
- 6.9 The table below summarises the Council's investment activity for April to November 2017.

Investment	Principal invested £000	Balance 01 April 17 £000	Movement in investment £000	Change in capital value £000	Balance 30 Nov 17 £000	Weighted average rate of interest
<u>Investment Funds</u>						
Payden & Rygel	5,000	5,025	0	0	5,026	0.32%
CCLA	5,000	6,351	0	166	6,517	4.62%
Aberdeen (SWIP)	2,000	1,848	0	(19)	1,828	1.12%
M&G	2,008	2,670	0	19	2,689	3.00%
Schroders	1,000	914	0	(14)	900	5.45%
Funding Circle	900	870	0	(267)	603	4.60%
UBS	2,500	2,417	0	(12)	2,405	2.95%
City Financial	2,500	2,468	0	(115)	2,353	3.19%
<u>In- House Investments:</u>						
Call Accounts		475	(475)		0	0.17%
Money Market Funds		1,319	2,743		4,062	0.26%
Notice Accounts		13,000	0		13,000	0.54%
Temporary Fixed Deposits		34,000	8,000		42,000	0.72%
Certificates of Deposit		2,000	1,000		3,000	0.56%
Unsecured bonds		6,824	1,678		8,502	0.64%
Covered Bonds		27,736	6,093		33,829	0.96%
Long Term Fixed Deposits		16,500	0		16,500	1.55%
Revolving Credit Facility		2,500	0		2,500	2.25%
Total Investments		126,917	19,039		145,715	

- 6.10 Some of our externally managed funds have seen a fall in their capital values since inception. The falls are indicative of wider financial market movements over the same period. The Council's external investments are held for long-term purposes and are invested to generate an income for the Council over the longer term. Any loss in investment value will not be realised unless the investment is sold. The Council has an earmarked reserve available to utilise in the event of a loss, thus minimising the impact on the general fund. Officers would not normally sell external investments at a loss unless there were very exceptional circumstances. It is anticipated that the value of the external investments will increase in line with the market in the medium term and will generate a positive return for the Council when eventually sold.

Prudential Indicators

- 6.11 Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2017 as part of the Council's Treasury Management Strategy Statement..

Authorised limit and Operational Boundary for External Debt

- 6.12 The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit, which we should not breach.
- 6.13 The Council's authorised borrowing limit was set at £525 million for 2017-18.
- 6.14 The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included in the Authorised Limit.
- 6.15 The operational boundary was set at £475 million for 2017-18.
- 6.16 The Chief Financial Officer confirms that there have been no breaches to the authorised limit and operational boundary during the year. Borrowing, at its peak, was £250 million.
- #### *Upper limits for fixed interest rate exposure and variable interest rate exposure*
- 6.17 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates for both borrowing and investments. They are targets rather than absolute limits.
- 6.18 The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.
- 6.19 The limit allows for 100% of total debt and total investments to be at a fixed rate, and a smaller percentage to be at a variable rate to minimise the potential volatility of interest rate risk.

	2017-18 approved (£000)	2017-18 actual to date (£000)	Within limit?
Net debt			
Upper limit on fixed interest rates	267,120	111,048	yes
Upper limit on variable interest rates	1,320	(23,253)	yes

Maturity structure of fixed rate borrowing

- 6.20 This indicator is designed to limit large concentrations of fixed rate debt maturing at times of uncertainty over interest rates.

Time period	Limit	Actual	Variance
Under 12 months	30%	25%	-5%
1 to 2 years	20%	0%	-20%
3 to 5 years	35%	0%	-35%
6-10 years	50%	20%	-30%
11 years and above	100%	54%	-46%

- 6.21 The table shows the split of the principal repayments of the fixed rate loans of the Council.

Total principal sums invested for periods longer than 364 days

- 6.22 This indicator allows the Council to manage risk inherent in investments longer than 364 days. The 2017-18 limit is set at £70 million and we had £55.17 million of longer-term investments as at 30 November, of which £33.8 million was in covered bonds.

7 Capital Programmes

- 7.1 **Appendices 4 to 9** of this report set out the following for each scheme on the Council's capital programme

- the gross estimate for the scheme approved by the Executive
- the cumulative expenditure to 31 March 2017 for each scheme
- the estimate for 2017-18 as approved by Council in February 2017
- the 2017-18 revised estimate which takes into account the approved estimate, any project under spends up to 31 March 2017, and any virements or supplementary estimates
- 2017-18 current expenditure
- 2017-18 projected expenditure estimated by the project officer

- 7.2 The table below summarises the current position on the various strands of the Council's capital programme. Detailed explanation is provided in paragraphs 7.3 to 7.11

CAPITAL EXPENDITURE SUMMARY	2017-18 Approved £000	2017-18 Revised £000	2017-18 Outturn £000	2017-18 Variance £000
General Fund Capital Expenditure				
- Main Programme	45,916	54,129	26,627	(27,502)
- Provisional schemes	51,850	52,677	2,773	(49,904)
- Schemes funded by reserves	1,573	225	3,316	3,091
- S106 Projects	440	359	602	243
- Affordable Housing (General Fund)	220	0	0	0
Total Expenditure	99,999	107,390	33,318	(74,072)
Housing Revenue Account Capital Expenditure				
Approved programme	12,900	17,279	9,172	(8,107)
Provisional programme	9,070	9,070	0	(9,070)
Total Expenditure	21,970	26,349	9,172	(17,177)

Approved programme (Appendix 4)

7.3 Expenditure is expected to be £26.6 million representing a £27.5 million variance to the revised estimate of £54 million. If a project is on the approved programme, it is an indicator that the project has started or is near to starting following the approval of a final business case by Executive. Whilst actual expenditure for the period of £7.2 million may seem low, a number of significant projects are in progress. These include:

- ED30 - Home Farm, provision of traveller pitches (£770,000) - work is progressing on this scheme which is due to complete in 2017-18
- OP6 – vehicle replacement programme of £827,000
- PL11 - Spectrum roof replacement and steel works (£3.2 million) work is progressing on this scheme and is due to complete in 2017-18
- FS1 – capital contingency fund – there is £4.527 million remaining in the fund
- ED25 – Guildford Park infrastructure works (£5.997 million) - this scheme received planning consent in November 2016 and initial works are progressing. A significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval.
- ED6 – Slyfield area Regeneration Project (SaRP) (£1.767 million) - work is progressing on the detailed design, pre-planning and site investigation work for this scheme to inform the final business case. The budget for the full scheme is still on the provisional capital programme.
- P5 – Walnut bridge (£1.834 million) – work is progressing on this scheme which is scheduled to complete in 2018-19
- PL9 – Crematorium rebuild (£500,000) – work is progressing on this scheme which is scheduled for completion in 2019-20
- PL29 - Woodbridge road sportsground (£1.384 million) – work is progressing on this scheme which is scheduled for completion in 2017-18

7.4 In addition to the schemes outlined above, the following significant amounts that were due to be spent on schemes or projects in 2017-18 will now be carried forward into 2018-19 or future years:

- PL9 – Crematorium rebuild (£3.292 million) – work is progressing with majority of spend expected in 2018-19.
- P9c – Bedford Wharf (£17.699 million) - this project is being reviewed and spend expected in 2019-20.
- North Downs Housing investment (£4 million) – spend expected in 2018-19.

Provisional programme (Appendix 5)

7.5 Expenditure on the provisional programme is expected to be £2.8 million, against the revised estimate of £52.7 million, representing a variance of £49.9 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can start. Monitoring progress of these projects is key to identifying project timescales. The significant project is:

- ED32(p) - Clay Lane Link Road, £1.1 million is expected to be spent on phase 1 in 2017-18, the remaining £9.3 million cost of the scheme will be carried forward into future years.

7.6 A number of projects, that were anticipated to start in 2017-18 have been re-profiled into future years including:

- ED18(p) - Guildford Museum (£2 million)
- ED16(p) - Slyfield Area Regeneration Project (£15.058 million)
- ED25(p) – Guildford Park new MSCP and infrastructure works (£11.645 million)
- ED48(p) - Westfield Road/Moorfield Road resurfacing (£3.152 million)
- PL16(p) – New burial ground acquisition and development (£2.458 million)
- PR7(p) – Town Centre transport infrastructure package (£4 million)
- ED38(p) – North Street Development (£29.5 million)

S106 (Appendix 6)

7.7 Capital schemes funded from s106 developer contributions is expected to total £602,000.

Reserves (Appendix 7)

7.8 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £3.32 million. The main projects are:

- expenditure on car parks £1.13 million
- ICT renewals £854,000

Capital resources (Appendix 8)

7.9 When the Council approved the budget, the estimated underlying need to borrow for 2017-18 was £87.7 million. The current estimated underlying need to borrow

is £20.1 million. The reduction is due to slippage in the programme where schemes are re-profiled into 2018-19.

Housing Investment Programme capital (Appendix 9)

- 7.10 The HRA approved capital programme is expected to outturn at £9.2 million against a revised estimate of £17.2 million as a significant amount that was due to be spent on schemes or projects in 2017-18 will now be carried forward into 2018-19:
- Acquisition of land and building (£2.8 million)
 - Appletree pub site (£1.8 million)
 - Ladymead (£1 million)
 - Garage sites (£1.1 million)
- 7.11 The provisional programme's budget was £9.07 million with no expenditure anticipated this financial year. This programme includes provision for the opportunity purchase of land and housing for development, which is dependent on the availability of suitable sites. Changes to the profiling of expenditure on the Guildford Park redevelopment have also contributed to a position where we anticipate no expenditure in 2017-18.

8 Consultations

- 8.1 The accountants prepare the budget monitor in consultation with the relevant service managers.

9 Equality and Diversity Implications

- 9.1 There are no direct equality and diversity implications as a result of this report. Each service manager will consider these issues when providing their services and monitoring their budgets.

10 Financial Implications

- 10.1 The financial implications are contained throughout the report.

11 Legal Implications

- 11.1 The Local Government Act 1972, Section 151 states that each local authority has a statutory duty to make arrangements for the proper administration of their financial affairs. In addition, the Accounts and Audit Regulations 2015 impose an explicit duty on the Council to ensure that financial management is adequate and effective and that they have a sound system of internal control, including arrangements for the management of risk.
- 11.2 Proper administration is not statutorily defined; however, there is guidance, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the responsibilities of the Chief Financial Officer (CFO). This states that local authorities have a corporate responsibility to operate within available resources and the CFO should support the effective governance of the authority through development of corporate governance arrangements, risk management and

reporting framework. Regular monitoring of the Council's actual expenditure to budget and forecasting of the expenditure for the full year is part of the proper administration and governance of the Council.

11.3 There are no further direct legal implications because of this report.

12 Human Resource Implications

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

13 Summary of Options

13.1 This report outlines the anticipated outturn position for the 2017-18 financial year. There are no specific recommendations and therefore no options to consider.

14 Conclusion

14.1 The report summarises the financial monitoring position for the period April to November for the 2017-18 financial year.

14.2 Officers are currently projecting a reduction in net expenditure of £1,263,353 on the general fund revenue account. The main reasons for this are set out in the table in paragraph 4.10.

14.3 The Chief Finance Officer in consultation with the Lead Councillor for Finance and Asset Management will determine the treatment of any balance as part of closing the 2017-18 accounts.

14.4 A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs will enable a transfer of £9.15 million to the new build reserve and £2.5 million to the reserve for future capital at year-end.

14.5 Actual expenditure incurred on our general fund capital programme for the period has been comparatively low against the programme envisaged at the 1 April 2017. Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £33.3 million on its capital schemes by the end of the financial year.

14.6 It is anticipated that the Council's underlying need to borrow to finance the capital programme will be £20.2 million by 31 March 2018. The Council has complied with Prudential Indicators during the period with the exception of the upper limit on variable interest rates.

14.7 At the end of November 2017, the Council had £145.7 million of current investment balances.

14 Background Papers

None

15 Appendices

- Appendix 1: General fund revenue account summary
- Appendix 2: General fund services - revenue detail
- Appendix 3: Housing Revenue Account summary
- Appendix 4: Approved capital programme
- Appendix 5: Provisional capital programme
- Appendix 6: Schemes funded from S106
- Appendix 7: Capital reserves
- Appendix 8: Capital resources
- Appendix 9: Housing Revenue Account capital programme

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Actual 2016-17 £	GENERAL FUND SUMMARY	Original Estimate 2017-18 £	Latest Estimate 2017-18 £	Projection 2017-18 £
	Directorates - Net Expenditure			
6,393,211	Community Services	6,090,690	6,161,630	5,757,309
4,270,682	Corporate	3,902,760	3,995,150	4,019,689
(4,180,085)	Development	(1,768,150)	(1,145,000)	(53,281)
8,678,618	Environment	9,884,260	10,304,520	9,141,037
(15,020)	Managing Director	(380,890)	(325,610)	(100,878)
1,943,981	Resources	4,153,060	4,482,082	4,480,028
17,091,387	Total Directorate Level	21,881,730	23,472,772	23,243,904
(6,931,189)	Depreciation (contra to Service Unit Budgets)	(9,023,810)	(9,023,810)	(9,023,810)
10,160,198	Directorate Level excluding depreciation	12,857,920	14,448,962	14,220,094
(1,504,746)	External interest receivable (net)	(490,306)	(866,586)	(1,460,000)
335,723	Minimum Revenue Provision	1,228,584	973,822	573,852
(21,857)	Revenue income from sale of assets	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)			
639,279	Met from: Capital Schemes reserve	0	0	0
883,783	Other reserves	1,914,600	1,914,600	1,914,600
0	General Fund	0	0	0
10,492,380	Total before transfers to and from reserves	15,510,798	16,470,798	15,248,546
	Transfers to and from reserves			
	Capital Schemes reserve			
(639,279)	Funding of Revenue Contribution to Capital Outlay	0	0	0
400,213	Contribution in year	0	0	0
(378,219)	Budget Pressures reserve	(410,700)	(622,450)	(1,076,450)
(1,612,295)	Business Rates Equalisation reserve	346,160	346,160	384,237
537,307	Car Park Maintenance reserve	176,470	176,470	294,470
32,500	Election Costs reserve	32,500	32,500	32,500
20,336	Energy Management Schemes reserve	(32,420)	(32,420)	(32,420)
508,072	Housing Revenue Account	452,150	452,150	606,171
41,729	Insurance reserve	(770)	(770)	5,119
297,552	IT Renewals reserve	458,780	458,780	43,980
660,899	Invest to Save reserve	105,960	105,960	(201,672)
0	Local Authority Business Growth Incentive reserve	0	0	0
1,039,057	New Homes Bonus reserve	(301,900)	(301,900)	(1,070,281)
(33,615)	On Street Parking Reserve	(116,030)	(116,030)	150,958
69,569	Pensions Reserve (Statutory)	0	0	0
0	Recycling reserve	0	0	0
126,884	Spectrum reserve	177,950	177,950	177,950
(68,886)	Other reserves	(265,202)	(1,013,513)	345,362
11,494,204	Total after transfers to and from reserves	16,133,746	16,133,686	14,908,470
	Business Rates Retention Scheme payments			
28,293,585	Business Rates tariff payment	30,213,400	30,213,400	30,213,400
	Business Rates levy payment	0	0	0
962,125	Business Rates - payment to pool re levy	652,892	652,892	690,214
	Non specific government grants			
(547,876)	s31 grant re BRR scheme	(633,707)	(633,707)	(709,106)
(15,009)	s31 grant re council tax	0	0	0
(102,174)	Transition grant	(101,789)	(101,789)	(101,789)
(2,362,055)	New Homes Bonus grant	(2,063,274)	(2,063,274)	(2,063,274)
37,722,800	GUILDFORD BOROUGH COUNCIL NET BUDGET	44,201,268	44,201,208	42,937,915
1,469,802	Parish Council Precepts	1,576,106	1,576,106	1,576,106
39,192,602	TOTAL NET BUDGET	45,777,374	45,777,314	44,514,021
(33,119,866)	Business Rates - retained income	(35,250,674)	(35,250,674)	(35,250,674)
(1,096,749)	Revenue support grant	(319,407)	(319,407)	(319,407)
1,512,784	Collection Fund Deficit - Business Rates	654,015	654,015	654,015
(120,698)	Collection Fund Surplus - Council Tax	(120,602)	(120,602)	(120,602)
6,368,073	COUNCIL TAX REQUIREMENT	10,740,706	10,740,646	9,477,353

Projected underspend

(1,263,353)

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COMMUNITY SERVICES

	Revised Budget 2017-2018	Projected Outturn 2017-2018	Variance
SERVICE SUMMARY			
Direct Expenditure	10,539,386	11,329,749	790,363
Income	(6,378,300)	(7,582,633)	(1,204,333)
Total Directly Controllable (Income)/Expenditure	4,161,086	3,747,116	(413,970)
Indirect Expenditure	2,000,555	2,010,193	9,638
Net (Income)/Expenditure	6,161,641	5,757,309	(404,332)

BUILDING MAINTENANCE

Direct Expenditure	2,948,590	3,543,356	594,766	Reflects a variation in the level of work undertaken, this additional cost will be recharged to the Housing Revenue Account.
Income	(3,028,850)	(3,623,688)	(594,838)	See above.
Total Directly Controllable (Income)/Expenditure	(80,260)	(80,332)	(72)	
Indirect Expenditure	86,380	86,452	72	
Net (Income)/Expenditure	6,120	6,120	0	

GYPSY CARAVAN SITES

Direct Expenditure	117,810	117,797	(13)	
Income	(197,610)	(145,990)	51,620	Reflects the removal of Surrey County Council contribution towards the site operation costs.
Total Directly Controllable (Income)/Expenditure	(79,800)	(28,193)	51,607	
Indirect Expenditure	12,230	12,358	128	
Net (Income)/Expenditure	(67,570)	(15,835)	51,735	

CITIZENS ADVICE BUREAU

Direct Expenditure	283,420	283,418	(2)
Total Directly Controllable (Income)/Expenditure	283,420	283,418	(2)
Indirect Expenditure	1,190	1,206	16
Net (Income)/Expenditure	284,610	284,624	14

CIVIL EMERGENCIES

Direct Expenditure	62,360	62,097	(263)
Total Directly Controllable (Income)/Expenditure	62,360	62,097	(263)
Indirect Expenditure	3,350	3,374	24
Net (Income)/Expenditure	65,710	65,471	(239)

COMMUNITY SERVICES

Direct Expenditure	0	62,316	62,316	Expenditure incurred in 2017-18 will be funded from the Prevention Partnership reserve.
Total Directly Controllable (Income)/Expenditure	0	62,316	62,316	
Net (Income)/Expenditure	0	62,316	62,316	

DAY SERVICES

Direct Expenditure	621,980	660,074	38,094	The salary costs have increased due to job evaluation, salary allocations and unmet vacancy credit. Additional repairs and maintenance of £8,600 relating to Park Barn Community Centre.
Income	(200,140)	(215,921)	(15,781)	
Total Directly Controllable (Income)/Expenditure	421,840	444,153	22,313	
Indirect Expenditure	154,220	154,552	332	
Net (Income)/Expenditure	576,060	598,705	22,645	

EMERGENCY COMMUNICATIONS SYSTEM

Direct Expenditure	253,270	262,720	9,450
Income	(368,870)	(388,075)	(19,205)
Total Directly Controllable (Income)/Expenditure	(115,600)	(125,355)	(9,755)
Indirect Expenditure	56,050	56,098	48
Net (Income)/Expenditure	(59,550)	(69,257)	(9,707)

EMI SERVICES

Direct Expenditure	272,074	262,343	(9,731)	Grant from Surrey County Council reduced by £45,100, after the budget for 2017-18 was set.
Income	(183,870)	(143,862)	40,008	
Total Directly Controllable (Income)/Expenditure	88,204	118,481	30,277	
Indirect Expenditure	19,056	19,080	24	
Net (Income)/Expenditure	107,260	137,561	30,301	

ENVIRONMENTAL CONTROL

Direct Expenditure	378,070	421,693	43,623	Vacancy credit will not be met of £6,960 and staff cost has increased by £8,400 due to changes in salary allocations. Tongham Air Quality costs £9,000 to be recovered from Planning services. £10,700 consultants costs for A331 planning appeal will be funded from reserves. Environmental protection consultants costs relating to the Crematorium £3,000 recovered in income. Computer Software invoice of £7,750 will be transferred to another account, once the details have been received.
Income	(24,180)	(36,222)	(12,042)	
Total Directly Controllable (Income)/Expenditure	353,890	385,471	31,581	
Indirect Expenditure	63,770	63,851	81	
Net (Income)/Expenditure	417,660	449,322	31,662	

SURREY FAMILY SUPPORT PROGRAMME

Direct Expenditure	317,340	394,892	77,552	Additional expenditure will be funded from reserve. The profiling of grant support will be equalised by the use of the reserve
Income	(240,000)	(373,321)	(133,321)	
Total Directly Controllable (Income)/Expenditure	77,340	21,571	(55,769)	
Indirect Expenditure	55,900	55,908	8	
Net (Income)/Expenditure	133,240	77,479	(55,761)	

FOOD AND SAFETY SERVICES

Direct Expenditure	308,420	309,030	610
Income	0	(30)	(30)
Total Directly Controllable (Income)/Expenditure	308,420	309,000	580
Indirect Expenditure	82,450	82,450	0
Net (Income)/Expenditure	390,870	391,450	580

HEALTH AND SAFETY

Direct Expenditure	131,380	135,956	4,576
Income	(147,690)	(147,690)	0
Total Directly Controllable (Income)/Expenditure	(16,310)	(11,734)	4,576
Indirect Expenditure	16,520	16,528	8
Net (Income)/Expenditure	210	4,794	4,584

HOUSING SURVEYING SERVICES

Direct Expenditure	719,400	693,775	(25,625)
Income	(823,050)	(797,473)	25,577
Total Directly Controllable (Income)/Expenditure	(103,650)	(103,698)	(48)
Indirect Expenditure	97,950	97,998	48
Net (Income)/Expenditure	(5,700)	(5,700)	0

GRANTS TO VOLUNTARY ORGANISATIONS - HOUSING AND COMMUNITY

Direct Expenditure	505,960	506,793	833
Income	(62,000)	(62,000)	0
Total Directly Controllable (Income)/Expenditure	443,960	444,793	833
Indirect Expenditure	5,210	5,218	8
Net (Income)/Expenditure	449,170	450,011	841

HOME FARM ESTATE, EFFINGHAM

Direct Expenditure	40,420	25,199	(15,221)
Income	(12,040)	(10,444)	1,596
Total Directly Controllable (Income)/Expenditure	28,380	14,755	(13,625)
Indirect Expenditure	16,710	19,449	2,739
Net (Income)/Expenditure	45,090	34,204	(10,886)

HOMELESSNESS AND EMERGENCY ACCOMMODATION

Direct Expenditure	759,708	713,087	(46,621)
Income	(9,000)	(474,626)	(465,626)
Total Directly Controllable (Income)/Expenditure	750,708	238,461	(512,247)
Indirect Expenditure	92,812	92,684	(128)
Net (Income)/Expenditure	843,520	331,145	(512,375)

Savings resulting from unfilled vacancies.

DCLG grant totalling £435,000 will be transferred to reserve at year-end.

HOUSING ADVICE

Direct Expenditure	300,000	300,000	0
Total Directly Controllable (Income)/Expenditure	300,000	300,000	0
Net (Income)/Expenditure	300,000	300,000	0

AFFORDABLE HOUSING DEVELOPMENT

Direct Expenditure	169,890	151,969	(17,921)
Total Directly Controllable (Income)/Expenditure	169,890	151,969	(17,921)
Indirect Expenditure	287,570	287,610	40
Net (Income)/Expenditure	457,460	439,579	(17,881)

LICENSING SERVICES

Direct Expenditure	186,150	199,601	13,451	There are additional salary costs of £11,100 resulting from the use of agency staff and vacancy credit will not be met of £4,800.
Income	(164,210)	(154,772)	9,438	
Total Directly Controllable (Income)/Expenditure	21,940	44,829	22,889	
Indirect Expenditure	71,360	71,464	104	
Net (Income)/Expenditure	93,300	116,293	22,993	

COMMUNITY MEALS AND TPT

Direct Expenditure	771,960	776,076	4,116	Additional grant from Surrey County Council received of £35,800 for the Community Transport Scheme.
Income	(276,190)	(310,033)	(33,843)	
Total Directly Controllable (Income)/Expenditure	495,770	466,043	(29,727)	
Indirect Expenditure	68,730	68,786	56	
Net (Income)/Expenditure	564,500	534,829	(29,671)	

HOUSING OUTSIDE THE HRA

Direct Expenditure	3,130	6,521	3,391
Income	(24,790)	(22,900)	1,890
Total Directly Controllable (Income)/Expenditure	(21,660)	(16,379)	5,281
Indirect Expenditure	47,840	54,278	6,438
Net (Income)/Expenditure	26,180	37,899	11,719

PEST CONTROL

Direct Expenditure	71,800	55,783	(16,017)	Changes to salary allocations have resulted in £4,000 underspend on salaries. Reduction in payment to contractor charges of £12,000 due to new contract implemented.
Income	(61,500)	(59,508)	1,992	
Total Directly Controllable (Income)/Expenditure	10,300	(3,725)	(14,025)	
Indirect Expenditure	9,690	9,698	8	
Net (Income)/Expenditure	19,990	5,973	(14,017)	

PRIVATE SECTOR HOUSING

Direct Expenditure	626,190	637,753	11,563
Income	(290,130)	(337,285)	(47,155)
Total Directly Controllable (Income)/Expenditure	336,060	300,468	(35,592)
Indirect Expenditure	630,350	630,406	56
Net (Income)/Expenditure	966,410	930,874	(35,536)

It is now anticipated that full Grant from Surrey County Council will be received. The Fee Income is higher than budget by £40,400, due to increased demand.

PROJECT ASPIRE

Direct Expenditure	0	39,574	39,574
Income	0	(5,000)	(5,000)
Total Directly Controllable (Income)/Expenditure	0	34,574	34,574
Net (Income)/Expenditure	0	34,574	34,574

This expenditure will be funded from reserve.

PUBLIC HEALTH

Direct Expenditure	75,360	77,259	1,899
Total Directly Controllable (Income)/Expenditure	75,360	77,259	1,899
Indirect Expenditure	6,580	6,588	8
Net (Income)/Expenditure	81,940	83,847	1,907

COMMUNITY SAFETY WARDENS

Direct Expenditure	357,000	355,283	(1,717)
Income	0	(314)	(314)
Total Directly Controllable (Income)/Expenditure	357,000	354,969	(2,031)
Indirect Expenditure	40,210	40,242	32
Net (Income)/Expenditure	397,210	395,211	(1,999)

TAXI LICENSING AND PRIVATE HIRE VEHICLES

Direct Expenditure	187,224	191,759	4,535
Income	(175,320)	(171,434)	3,886
Total Directly Controllable (Income)/Expenditure	11,904	20,325	8,421
Indirect Expenditure	56,057	55,505	(552)
Net (Income)/Expenditure	67,961	75,830	7,869

WOKING ROAD DEPOT STORES

Direct Expenditure	70,480	83,625	13,145
Income	(88,860)	(102,045)	(13,185)
Total Directly Controllable (Income)/Expenditure	(18,380)	(18,420)	(40)
Indirect Expenditure	18,370	18,410	40
Net (Income)/Expenditure	(10)	(10)	0

CORPORATE SERVICES

	Revised Budget 2017-2018	Projected Outturn 2017-2018	Variance
SERVICE SUMMARY			
Direct Expenditure	5,235,595	5,275,577	39,982
Income	(2,697,305)	(2,712,934)	(15,629)
Total Directly Controllable (Income)/Expenditure	2,538,290	2,562,643	24,353
Indirect Expenditure	1,456,860	1,457,046	186
Net (Income)/Expenditure	3,995,150	4,019,689	24,539

ACCESS GROUP FOR GUILDFORD

Direct Expenditure	1,900	2,315	415
Total Directly Controllable (Income)/Expenditure	1,900	2,315	415
Indirect Expenditure	2,340	2,340	0
Net (Income)/Expenditure	4,240	4,655	415

CIVIC EXPENSES

Direct Expenditure	188,210	203,336	15,126
Income	0	(811)	(811)
Total Directly Controllable (Income)/Expenditure	188,210	202,525	14,315
Indirect Expenditure	22,600	22,616	16
Net (Income)/Expenditure	210,810	225,141	14,331

A higher than anticipated number of promotional events have been held in the Borough, which has resulted in a £18,000 increase in costs.

COMMUNITY DEVELOPMENT

Direct Expenditure	291,160	281,413	(9,747)
Income	(15,000)	(20,669)	(5,669)
Total Directly Controllable (Income)/Expenditure	276,160	260,744	(15,416)
Indirect Expenditure	41,340	40,924	(416)
Net (Income)/Expenditure	317,500	301,668	(15,832)

COUNCIL AND COMMITTEE SUPPORT

Direct Expenditure	260,460	206,769	(53,691)
Income	(36,550)	(36,692)	(142)
Total Directly Controllable (Income)/Expenditure	223,910	170,077	(53,833)
Indirect Expenditure	248,860	249,006	146
Net (Income)/Expenditure	472,770	419,083	(53,687)

The Cluster funding agreement has been withdrawn by County and Guildford Borough Council, resulting in an underspend of £35,000. Reduction in the Staff Committee Attendance Allowance of £8,000.

CORPORATE SERVICES

Direct Expenditure	662,650	674,011	11,361
Income	(118,240)	(114,540)	3,700
Total Directly Controllable (Income)/Expenditure	544,410	559,471	15,061
Indirect Expenditure	370,550	370,630	80
Net (Income)/Expenditure	914,960	930,101	15,141

COMMITTEE SERVICES

Direct Expenditure	182,950	156,727	(26,223)	Vacant posts within the service will remain unfilled totalling £25,200, this relates to the programme of staff savings agreement as part of the 2017-18 budget.
Income	(225,820)	(225,876)	(56)	
Total Directly Controllable (Income)/Expenditure	(42,870)	(69,149)	(26,279)	
Indirect Expenditure	41,690	41,738	48	
Net (Income)/Expenditure	(1,180)	(27,411)	(26,231)	

DEMOCRATIC REPRESENTATION AND MANAGEMENT

Direct Expenditure	714,610	679,195	(35,415)	Vacant posts within the service will remain unfilled totalling £37,300, this relates to the programme of staff savings agreement as part of the 2017-18 budget. Increase in Councillors Allowances of £5,000 offset by a reduction in telecomms expenses.
Income	(108,470)	(108,430)	40	
Total Directly Controllable (Income)/Expenditure	606,140	570,765	(35,375)	
Indirect Expenditure	334,870	334,982	112	
Net (Income)/Expenditure	941,010	905,747	(35,263)	

ELECTIONS

Direct Expenditure	85,290	84,674	(616)
Total Directly Controllable (Income)/Expenditure	85,290	84,674	(616)
Indirect Expenditure	17,820	17,836	16
Net (Income)/Expenditure	103,110	102,510	(600)

ELECTORAL REGISTRATION

Direct Expenditure	318,730	252,568	(66,162)	Anticipated reduction in the costs surrounding Individual Electoral Registration (IER)
Income	(3,000)	(2,291)	709	
Total Directly Controllable (Income)/Expenditure	315,730	250,277	(65,453)	
Indirect Expenditure	41,840	41,848	8	
Net (Income)/Expenditure	357,570	292,125	(65,445)	

LEGAL SERVICES

Direct Expenditure	1,086,915	1,258,769	171,854	Additional consultants advice of £12,800. Salary savings due to vacancies will fund temporary agency staff. Due to the ongoing service review, external legal advice has increased by £115,000, part of this will be recharged to other internal cost centres.
Income	(1,205,715)	(1,220,908)	(15,193)	
Total Directly Controllable (Income)/Expenditure	(118,800)	37,861	156,661	
Indirect Expenditure	139,080	139,144	64	
Net (Income)/Expenditure	20,280	177,005	156,725	

HR SERVICES

Direct Expenditure	425,830	419,546	(6,284)
Income	(563,850)	(563,850)	0
Total Directly Controllable (Income)/Expenditure	(138,020)	(144,304)	(6,284)
Indirect Expenditure	89,790	89,806	16
Net (Income)/Expenditure	(48,230)	(54,498)	(6,268)

INFORMATION RIGHTS OFFICER

Direct Expenditure	62,650	63,800	1,150
Income	(69,280)	(69,310)	(30)
Total Directly Controllable (Income)/Expenditure	(6,630)	(5,510)	1,120
Indirect Expenditure	4,810	4,810	0
Net (Income)/Expenditure	(1,820)	(700)	1,120

OTHER EMPLOYEE COSTS

Direct Expenditure	365,680	375,219	9,539	The salary sacrifice and car parking savings are held centrally the actual savings will appear on the individual service accounts. Offset by salary savings due to service changes.
Income	(283,430)	(283,707)	(277)	
Total Directly Controllable (Income)/Expenditure	82,250	91,512	9,262	
Indirect Expenditure	11,830	11,862	32	
Net (Income)/Expenditure	94,080	103,374	9,294	

PARISH AND LOCAL LIAISON

Direct Expenditure	205,820	204,777	(1,043)
Total Directly Controllable (Income)/Expenditure	205,820	204,777	(1,043)
Indirect Expenditure	7,250	7,250	0
Net (Income)/Expenditure	213,070	212,027	(1,043)

PROCUREMENT

Direct Expenditure	89,200	65,016	(24,184)
Income	(61,450)	(61,350)	100
Total Directly Controllable (Income)/Expenditure	27,750	3,666	(24,084)
Indirect Expenditure	14,920	14,928	8
Net (Income)/Expenditure	42,670	18,594	(24,076)

PUBLIC RELATIONS AND MARKETING

Direct Expenditure	288,690	344,490	55,800
Income	(6,500)	(4,500)	2,000
Total Directly Controllable (Income)/Expenditure	282,190	339,990	57,800
Indirect Expenditure	62,080	62,112	32
Net (Income)/Expenditure	344,270	402,102	57,832

The previous assumption that two temporary posts could be removed is no longer considered the case. This has resulted in higher than budget expenditure of £57,700, including the vacancy credit.

GUILDFORD YOUTH COUNCIL

Direct Expenditure	4,850	2,952	(1,898)
Total Directly Controllable (Income)/Expenditure	4,850	2,952	(1,898)
Indirect Expenditure	5,190	5,214	24
Net (Income)/Expenditure	10,040	8,166	(1,874)

DEVELOPMENT	Revised Budget	Projected Outturn	Variance
	2017-2018	2017-2018	
SERVICE SUMMARY			
Direct Expenditure	8,465,059	8,333,755	(131,304)
Income	(13,679,390)	(12,524,197)	1,155,193
Total Directly Controllable (Income)/Expenditure	(5,214,331)	(4,190,442)	1,023,889
Indirect Expenditure	4,069,342	4,137,161	67,819
Net (Income)/Expenditure	(1,144,989)	(53,281)	1,091,708

BUILDING CONTROL SUMMARY

Direct Expenditure	774,260	685,435	(88,825)	There are salary savings due to vacancies which are being covered in part by temporary staff and consultants.
Income	(504,010)	(454,887)	49,123	Building Control fees will be under budget.
Total Directly Controllable (Income)/Expenditure	270,250	230,548	(39,702)	
Indirect Expenditure	138,780	138,868	88	
Net (Income)/Expenditure	409,030	369,416	(39,614)	

BUSINESS FORUM

Direct Expenditure	52,290	52,395	105
Total Directly Controllable (Income)/Expenditure	52,290	52,395	105
Indirect Expenditure	920	928	8
Net (Income)/Expenditure	53,210	53,323	113

DEVELOPMENT CONTROL

Direct Expenditure	1,832,890	2,315,199	482,309	There are additional salary costs of £57,000 due mainly to agency staff. Consultancy costs are expected to be under budget by £25,400. Planning appeal expenses are predicted to be £430,000 over budget broken down as follows: Howard of Effingham £89,000, Guildford Station £138,000 and Wisley Airfield £128,000 (reduced substantially from period 6 projection) . This expenditure will be funded from the budget pressures reserve. £75,000 has also been earmarked for other likely planning appeal expenses.
Income	(1,388,540)	(1,299,922)	88,618	Planning fees are estimated at present to be £100,000 under budget.
Total Directly Controllable (Income)/Expenditure	444,350	1,015,277	570,927	
Indirect Expenditure	586,520	589,178	2,658	
Net (Income)/Expenditure	1,030,870	1,604,455	573,585	

INDUSTRIAL ESTATES

Direct Expenditure	299,164	349,236	50,072	
Income	(3,211,870)	(3,325,743)	(113,873)	Rental income is greater than anticipated due to rent reviews at Slyfield and Midleton.
Total Directly Controllable (Income)/Expenditure	(2,912,706)	(2,976,507)	(63,801)	
Indirect Expenditure	310,656	315,529	4,873	
Net (Income)/Expenditure	(2,602,050)	(2,660,978)	(58,928)	

INVESTMENT PROPERTY

Direct Expenditure	175,500	187,601	12,101	
Income	(5,681,260)	(5,716,174)	(34,914)	
Total Directly Controllable (Income)/Expenditure	(5,505,760)	(5,528,573)	(22,813)	
Indirect Expenditure	282,500	284,212	1,712	
Net (Income)/Expenditure	(5,223,260)	(5,244,361)	(21,101)	

LOCAL LAND CHARGES

Direct Expenditure	234,700	206,700	(28,000)	
Income	(294,160)	(231,350)	62,810	Land Charges income is expected to be under budget.
Total Directly Controllable (Income)/Expenditure	(59,460)	(24,650)	34,810	
Indirect Expenditure	35,620	35,657	37	
Net (Income)/Expenditure	(23,840)	11,007	34,847	

MAJOR PROJECTS

Direct Expenditure	1,625,380	1,253,791	(371,589)	Employee related costs are expected to be £53,130 over the revenue budget which takes into account a capital allocation of £260,700. This will be revised at each monitoring period as the individual projects move from revenue to capital. Town Centre Parking Strategy expenditure of £17,000 will be met from the Car Parks Maintenance Reserve and an additional £24,000 for the Street Scape Design project will also be met from the budget pressures reserve. Expenditure on consultants projected to date has been overstated and we anticipate an underspend of £472,000 for which a carry forward request will be made.
Income	(1,020,380)	0	1,020,380	The One Public Estate grant totalling £100,000 will not be received and rental income from Bedford Wharf of £920,000 (Odeon Cinema and Old Orleans) will also not now be received. The £920,000 income will be offset by not making a transfer to the New Homes Bonus reserve, and therefore will have no impact on the bottom line. However we are assuming that the feasibility budget around the redevelopment of Bedford Wharf will be committed up to £328,000.
Total Directly Controllable (Income)/Expenditure	605,000	1,253,791	648,791	
Indirect Expenditure	1,396,520	1,396,446	(74)	
Net (Income)/Expenditure	2,001,520	2,650,237	648,717	

OTHER PROPERTY

Direct Expenditure	94,670	160,457	65,787	Anticipated expenditure on Valuers Fees are currently £24,300. Security costs in respect of Tyting Farm estimated at £25,000.
Income	(212,070)	(163,922)	48,148	Rental income from New House is less than anticipated as the current tenants are expected to vacate shortly. The property is currently being marketed.

Total Directly Controllable (Income)/Expenditure	(117,400)	(3,465)	113,935
Indirect Expenditure	109,970	118,752	8,782
Net (Income)/Expenditure	(7,430)	115,287	122,717

POLICY

Direct Expenditure	1,184,925	1,064,128	(120,797)	There will be salary savings of £137,500 due to vacant posts. Transport consultancy will be over budget by £60,900 and is covered by the salary saving. £6,500 of the CIL budget of £58,930 which was carried forward will be spent in 2017-18. It is assumed that carry forward for the Self Build and Brownfield grant will not be spent in this financial year. Inspectors fees of £30,000 which were not budgeted for may be incurred towards the end of the financial year and neighbourhood plans consultancy is estimated to be £13,800.
Income	(4,050)	(42,099)	(38,049)	The Neighbourhood Plan grant of £20,000 for Effingham will be received in this financial year and at present we anticipate that the East Horsley grant, also for £20,000, will be received as well.

Total Directly Controllable (Income)/Expenditure	1,180,875	1,022,029	(158,846)
Indirect Expenditure	226,056	225,543	(513)
Net (Income)/Expenditure	1,406,931	1,247,572	(159,359)

ASSET DEVELOPMENT

Direct Expenditure	1,135,340	1,054,547	(80,793)	Salary savings due to vacant posts partly covered by agency staff. Off set by an increase in valuers fees as these are currently outsourced due to the vacant building surveyor post £19,000 and consultants advice due to an increase in asset movement £7,200. There are also savings in the responsive repair and maintenance budget, which the service retains with actual expenditure being allocated directly to property related cost centres. Asset Development also hold the associated building surveyor recharges which are allocated to property cost centres throughout the year.
Income	(1,076,800)	(1,076,800)	0	

Total Directly Controllable (Income)/Expenditure	58,540	(22,253)	(80,793)
Indirect Expenditure	325,460	376,938	51,478
Net (Income)/Expenditure	384,000	354,685	(29,315)

SLYFIELD AREA REGENERATION PROJECT (SARP)

Direct Expenditure	54,820	58,867	4,047
Total Directly Controllable (Income)/Expenditure	54,820	58,867	4,047
Indirect Expenditure	526,950	526,974	24
Net (Income)/Expenditure	581,770	585,841	4,071

TOURIST INFORMATION CENTRE

Direct Expenditure	230,920	254,357	23,437	Higher than budgeted salary costs.
Income	(53,200)	(52,952)	248	
Total Directly Controllable (Income)/Expenditure	177,720	201,405	23,685	
Indirect Expenditure	30,830	30,910	80	
Net (Income)/Expenditure	208,550	232,315	23,765	

BUSINESS AND TOURISM

Direct Expenditure	649,720	575,195	(74,525)	The service retains the apprenticeship budget of £128,200 with actual salary costs allocated directly to individual services and the budget will therefore remain as a saving against the service. We do not anticipate the carry forward of £68,200 being required in this financial year. A sponsorship consultant will be engaged whose estimated cost will be £12,000. The Science and Arts Festival will be over budget by £10,000 which will be met from the corporate inflation budget. Tourism marketing will be over budget by £39,600. The over spend on contributions of £10,000 will be met from the LAGBI reserve.
Income	(151,500)	(127,297)	24,203	Sponsorship income from the Science and Arts Festival will be £5,000. It is estimated that income generated from the website will not meet the budget of £30,000.
Total Directly Controllable (Income)/Expenditure	498,220	447,898	(50,322)	
Indirect Expenditure	78,930	77,580	(1,350)	
Net (Income)/Expenditure	577,150	525,478	(51,672)	

TOWN CENTRE MANAGEMENT

Direct Expenditure	120,480	115,846	(4,634)	
Income	(81,550)	(33,051)	48,499	Income from the profit share of town centre wifi will not be achieved due to delays in the procurement process.
Total Directly Controllable (Income)/Expenditure	38,930	82,795	43,865	
Indirect Expenditure	19,630	19,646	16	
Net (Income)/Expenditure	58,560	102,441	43,881	

ENVIRONMENT	Revised Budget	Projected Outturn	Variance
	2017-2018	2017-2018	
SERVICE SUMMARY			
Direct Expenditure	27,665,677	26,962,323	(703,354)
Income	(25,795,473)	(26,427,371)	(631,898)
Total Directly Controllable (Income)/Expenditure	1,870,204	534,952	(1,335,252)
Indirect Expenditure	8,434,324	8,606,085	171,761
Net (Income)/Expenditure	10,304,528	9,141,037	(1,163,491)

ABANDONED VEHICLES			
Direct Expenditure	32,860	37,890	5,030
Income	0	(177)	(177)
Total Directly Controllable (Income)/Expenditure	32,860	37,713	4,853
Indirect Expenditure	5,300	5,308	8
Net (Income)/Expenditure	38,160	43,021	4,861

ARMED FORCES DAY			
Direct Expenditure	0	47	47
Total Directly Controllable (Income)/Expenditure	0	47	47
Net (Income)/Expenditure	0	47	47

CCTV SYSTEMS			
Direct Expenditure	80,430	76,076	(4,354)
Total Directly Controllable (Income)/Expenditure	80,430	76,076	(4,354)
Indirect Expenditure	22,510	24,330	1,820
Net (Income)/Expenditure	102,940	100,406	(2,534)

CEMETERIES AND CLOSED CHURCHYARDS			
Direct Expenditure	307,634	325,741	18,107
Income	(112,450)	(82,066)	30,384
Total Directly Controllable (Income)/Expenditure	195,184	243,675	48,491
Indirect Expenditure	53,910	44,714	(9,196)
Net (Income)/Expenditure	249,094	288,389	39,295

The budget had been reduced in 2017-18 by £10,000 for service changes, this has not been met due to an agreement to extend the use of casual staff £12,000. Additional reactive works required at Cemetery Lodge totalling £5,000.

Anticipated reduction in income due to the decrease in burials totalling £30,000.

CLINICAL WASTE			
Direct Expenditure	10,790	8,298	(2,492)
Total Directly Controllable (Income)/Expenditure	10,790	8,298	(2,492)
Indirect Expenditure	1,900	1,900	0
Net (Income)/Expenditure	12,690	10,198	(2,492)

CREMATORIUM

Direct Expenditure	755,967	698,465	(57,502)	Service review has resulted in an underspend of £114,700, this offsets an overspend on bought in services of £64,700 arising from continued use of Randalls Road crematorium, while a new cremator is being installed.
Income	(1,412,800)	(1,373,669)	39,131	The projection reflects the disruption to service resulting from cremator works.
Total Directly Controllable (Income)/Expenditure	(656,833)	(675,204)	(18,371)	
Indirect Expenditure	331,560	330,346	(1,214)	
Net (Income)/Expenditure	(325,273)	(344,858)	(19,585)	

DOG CONTROL AND ANIMAL WELFARE

Direct Expenditure	39,648	61,696	22,048
Income	(6,000)	(4,081)	1,919
Total Directly Controllable (Income)/Expenditure	33,648	57,615	23,967
Indirect Expenditure	16,690	16,698	8
Net (Income)/Expenditure	50,338	74,313	23,975

ELECTRIC THEATRE

Direct Expenditure	347,710	158,257	(189,453)	Operational responsibility has transferred to ACM
Income	(335,180)	(40,790)	294,390	
Total Directly Controllable (Income)/Expenditure	12,530	117,467	104,937	
Indirect Expenditure	128,510	125,568	(2,942)	
Net (Income)/Expenditure	141,040	243,035	101,995	

FLEET MANAGEMENT SERVICE

Direct Expenditure	1,119,860	1,044,844	(75,016)	Vehicle insurance is £24,000 more than budgeted but vehicles repairs are projected to be £85,000 lower than budget.
Income	(2,128,350)	(2,135,576)	(7,226)	
Total Directly Controllable (Income)/Expenditure	(1,008,490)	(1,090,732)	(82,242)	
Indirect Expenditure	988,860	1,090,732	101,872	
Net (Income)/Expenditure	(19,630)	0	19,630	

ENGINEERING AND TRANSPORT SERVICES

Direct Expenditure	366,800	364,112	(2,688)
Income	(428,430)	(444,160)	(15,730)
Total Directly Controllable (Income)/Expenditure	(61,630)	(80,048)	(18,418)
Indirect Expenditure	64,660	65,960	1,300
Net (Income)/Expenditure	3,030	(14,088)	(17,118)

GUILDFORD HOUSE

Direct Expenditure	428,510	378,432	(50,078)
Income	(67,400)	(60,283)	7,117
Total Directly Controllable (Income)/Expenditure	361,110	318,149	(42,961)
Indirect Expenditure	96,560	93,212	(3,348)
Net (Income)/Expenditure	457,670	411,361	(46,309)

There are savings in the Guildford House repairs and maintenance budget of £17,000 as projects move to the capital expenditure phase. The feasibility growth bid of £15,000 will not be spent in this financial year due to time constraints.

GUILDHALL

Direct Expenditure	246,270	159,211	(87,060)
Income	(35,800)	(33,080)	2,720
Total Directly Controllable (Income)/Expenditure	210,470	126,131	(84,340)
Indirect Expenditure	52,010	51,422	(588)
Net (Income)/Expenditure	262,480	177,553	(84,928)

There are savings of £45,000 in the Guildhall repairs and maintenance budget as external decorations will not be carried out in this financial year but roof repairs will. The feasibility study of improvements growth bid of £5,000 won't be spent in this financial year nor will the carry forward for the conservation plan.

LAND DRAINAGE

Direct Expenditure	155,490	143,796	(11,694)
Total Directly Controllable (Income)/Expenditure	155,490	143,796	(11,694)
Indirect Expenditure	308,200	294,356	(13,844)
Net (Income)/Expenditure	463,690	438,152	(25,538)

LEISURE ART DEVELOPMENT

Direct Expenditure	81,150	82,935	1,785
Income	(550)	(747)	(197)
Total Directly Controllable (Income)/Expenditure	80,600	82,188	1,588
Indirect Expenditure	16,620	16,652	32
Net (Income)/Expenditure	97,220	98,840	1,620

LEISURE COMMUNITY CENTRES

Direct Expenditure	93,180	125,107	31,927
Income	(1,410)	(900)	510
Total Directly Controllable (Income)/Expenditure	91,770	124,207	32,437
Indirect Expenditure	82,050	87,410	5,360
Net (Income)/Expenditure	173,820	211,617	37,797

Additional property works.

LEISURE G LIVE

Direct Expenditure	408,080	409,170	1,090
Income	(36,770)	(67,496)	(30,726)
Total Directly Controllable (Income)/Expenditure	371,310	341,674	(29,636)
Indirect Expenditure	893,360	893,672	312
Net (Income)/Expenditure	1,264,670	1,235,346	(29,324)

LEISURE GRANTS

Direct Expenditure	436,160	419,673	(16,487)
Total Directly Controllable (Income)/Expenditure	436,160	419,673	(16,487)
Indirect Expenditure	8,230	8,262	32
Net (Income)/Expenditure	444,390	427,935	(16,455)

LEISURE MANAGEMENT CONTRACT

Direct Expenditure	1,350,460	1,251,294	(99,166)	R&M - General repair works have been linked to the profile of actual works and a carry forward request will be submitted at year-end.
Income	(1,531,260)	(1,485,846)	45,414	
Total Directly Controllable (Income)/Expenditure	(180,800)	(234,552)	(53,752)	
Indirect Expenditure	1,629,900	1,629,396	(504)	
Net (Income)/Expenditure	1,449,100	1,394,844	(54,256)	

LEISURE PLAY DEVELOPMENT

Direct Expenditure	219,283	233,570	14,287	Additional casualls and overtime agreement £4,000. (Income to offset) Vacancy credit will not be met £2,700 plus salary changes due to the job evaluation process has increased costs by £3,500.
Income	(53,433)	(69,837)	(16,404)	Fee income for holiday schemes is £16,000 above budget.
Total Directly Controllable (Income)/Expenditure	165,850	163,733	(2,117)	
Indirect Expenditure	20,280	20,296	16	
Net (Income)/Expenditure	186,130	184,029	(2,101)	

LEISURE RANGERS

Direct Expenditure	208,020	215,364	7,344	Employee costs are higher than budgeted as this reflects the changes in terms and conditions introduced late in last financial year.
Income	0	(5,900)	(5,900)	Insurance recovered after an incident to the Play Ranger van.
Total Directly Controllable (Income)/Expenditure	208,020	209,464	1,444	
Indirect Expenditure	10,220	10,228	8	
Net (Income)/Expenditure	218,240	219,692	1,452	

LEISURE SPORT DEVELOPMENT

Direct Expenditure	80,210	82,294	2,084
Income	(5,000)	(5,723)	(723)
Total Directly Controllable (Income)/Expenditure	75,210	76,571	1,361
Indirect Expenditure	12,280	12,320	40
Net (Income)/Expenditure	87,490	88,891	1,401

MARKETS

Direct Expenditure	62,550	59,383	(3,167)
Income	(175,630)	(165,051)	10,579
Total Directly Controllable (Income)/Expenditure	(113,080)	(105,668)	7,412
Indirect Expenditure	7,720	7,728	8
Net (Income)/Expenditure	(105,360)	(97,940)	7,420

MOT BAY

Direct Expenditure	128,300	141,867	13,567
Income	(166,500)	(167,067)	(567)
Total Directly Controllable (Income)/Expenditure	(38,200)	(25,200)	13,000
Indirect Expenditure	23,690	23,706	16
Net (Income)/Expenditure	(14,510)	(1,494)	13,016

GUILDFORD MUSEUM

Direct Expenditure	484,960	510,091	25,131
Income	(106,680)	(103,345)	3,335
Total Directly Controllable (Income)/Expenditure	378,280	406,746	28,466
Indirect Expenditure	225,120	230,906	5,786
Net (Income)/Expenditure	603,400	637,652	34,252

Repair and maintenance works have increased in particular at Salters, Castle Street.

OFF STREET PARKING

Direct Expenditure	3,795,180	3,650,423	(144,757)
Income	(10,095,910)	(10,362,733)	(266,823)
Total Directly Controllable (Income)/Expenditure	(6,300,730)	(6,712,310)	(411,580)
Indirect Expenditure	1,197,880	1,212,048	14,168
Net (Income)/Expenditure	(5,102,850)	(5,500,262)	(397,412)

Redecoration provision of £135,000 has been removed from the projected outturn due to a lack of resources to manage the project at Leapale Road MSCP. There have been unbudgeted fire risk assessment works at the multi-storey car parks, redecorations at Bedford Rd MSCP and guttering repairs at York Rd MSCP.

Meter and contract/season ticket charges income is £267,000 higher than budget. The projection also includes the ongoing effects of parking suspension income from the redevelopment of the Tunsgate centre until the end of January 2018.

ON STREET PARKING

Direct Expenditure	1,185,620	1,136,934	(48,686)
Income	(1,939,400)	(1,958,755)	(19,355)
Total Directly Controllable (Income)/Expenditure	(753,780)	(821,821)	(68,041)
Indirect Expenditure	81,850	81,858	8
Net (Income)/Expenditure	(671,930)	(739,963)	(68,033)

There are salary savings of £35,000 due to vacancies.

ORDNANCE SURVEY AND MAPPING SERVICES

Direct Expenditure	3,430	4,650	1,220
Total Directly Controllable (Income)/Expenditure	3,430	4,650	1,220
Indirect Expenditure	10,980	7,278	(3,702)
Net (Income)/Expenditure	14,410	11,928	(2,482)

PARKS AND COUNTRYSIDE

Direct Expenditure	4,165,279	4,278,672	113,393	The projected underspend of £76,000 on employees is due to current vacancies. Overall planned maintenance costs are likely to be lower than expected by £23,260. This is offset by additional site costs arising from unauthorised encampments of £25,000. A budgeted saving of £100,000 arising from the transfer of Woodbridge Road to a trust has been deferred until 2018-19.
Income	(1,409,480)	(2,140,287)	(730,807)	SPA income for the future development and maintenance of green spaces is projected to exceed budget by £707,842. An element of this income will be used in the current year to fund revenue spending, the remainder will be transferred to reserve at year-end.
Total Directly Controllable (Income)/Expenditure	2,755,799	2,138,385	(617,414)	
Indirect Expenditure	673,104	714,008	40,904	
Net (Income)/Expenditure	3,428,903	2,852,393	(576,510)	

PARK AND RIDE SERVICES

Direct Expenditure	789,210	650,490	(138,720)	The service is now operated as a commercial venture, operating without subsidy. The only exception is Onslow for which there is a payment of £192,000
Income	(25,000)	(65,133)	(40,133)	
Total Directly Controllable (Income)/Expenditure	764,210	585,357	(178,853)	
Indirect Expenditure	97,750	93,423	(4,327)	
Net (Income)/Expenditure	861,960	678,780	(183,180)	

PUBLIC CONVENIENCES

Direct Expenditure	346,208	332,249	(13,959)
Income	(11,800)	(11,808)	(8)
Total Directly Controllable (Income)/Expenditure	334,408	320,441	(13,967)
Indirect Expenditure	78,450	93,776	15,326
Net (Income)/Expenditure	412,858	414,217	1,359

REFUSE AND RECYCLING

Direct Expenditure 6,276,054 6,273,204 (2,850)

There is a predicted overspend of £79,800 on employee related expenditure due to the effects of the job evaluation for operational staff offset by vacancies and higher than anticipated usage of agency staff. The effects of the job evaluation will be met from reserves at year end. There is also a forecast underspend of £105,000 on recycling - gate fees, although this may change due to the volatility of the charges. Bought in services will be £26,000 over budget.

Income (3,864,400) (3,786,073) 78,327

Income forecast for recycling credits and garden waste receipts is £23,500 above budget. This is offset by a one off return of credits to SCC of £135,000 to assist with budget reductions. If the final position on income is not sufficient to cover the £135,000 rebate to SCC, the shortfall will be met from reserves. Green bin sales are £25,450 over budget

Total Directly Controllable (Income)/Expenditure	2,411,654	2,487,131	75,477
Indirect Expenditure	776,710	776,958	248
Net (Income)/Expenditure	3,188,364	3,264,089	75,725

RIVER CONTROL

Direct Expenditure 31,180 27,414 (3,766)

Total Directly Controllable (Income)/Expenditure 31,180 27,414 (3,766)

Indirect Expenditure 9,910 7,111 (2,799)

Net (Income)/Expenditure 41,090 34,525 (6,565)

ROADS AND FOOTPATHS MAINTENANCE

Direct Expenditure 41,210 38,835 (2,375)

Total Directly Controllable (Income)/Expenditure 41,210 38,835 (2,375)

Indirect Expenditure 60,840 73,682 12,842

Net (Income)/Expenditure 102,050 112,517 10,467

SNOW AND ICE PLAN HOLDING ACCOUNT

Direct Expenditure 42,910 39,832 (3,078)

Income (44,920) (44,920) 0

Total Directly Controllable (Income)/Expenditure (2,010) (5,088) (3,078)

Indirect Expenditure 1,160 645 (515)

Net (Income)/Expenditure (850) (4,443) (3,593)

STREET CLEANSING

Direct Expenditure 2,069,554 2,028,889 (40,665)

There are salary savings due to vacancies. There is a i360 Customer Contact Solutions invoice of £20,300 which will be met from reserves at year end.

Income (163,860) (166,584) (2,724)

Total Directly Controllable (Income)/Expenditure 1,905,694 1,862,305 (43,389)

Indirect Expenditure 141,120 141,184 64

Net (Income)/Expenditure 2,046,814 2,003,489 (43,325)

STREET FURNITURE

Direct Expenditure	57,600	71,607	14,007
Income	0	(3,506)	(3,506)
Total Directly Controllable (Income)/Expenditure	57,600	68,101	10,501
Indirect Expenditure	8,340	17,833	9,493
Net (Income)/Expenditure	65,940	85,934	19,994

TRANSPORTATION

Direct Expenditure	13,520	8,367	(5,153)
Total Directly Controllable (Income)/Expenditure	13,520	8,367	(5,153)
Indirect Expenditure	6,020	8,155	2,135
Net (Income)/Expenditure	19,540	16,522	(3,018)

VEHICLE MAINTENANCE WORKSHOP

Direct Expenditure	807,030	817,124	10,094
Income	(864,670)	(866,784)	(2,114)
Total Directly Controllable (Income)/Expenditure	(57,640)	(49,660)	7,980
Indirect Expenditure	49,620	49,660	40
Net (Income)/Expenditure	(8,020)	0	8,020

WORKS ANCILLARY SERVICES

Direct Expenditure	0	26	26
Total Directly Controllable (Income)/Expenditure	0	26	26
Net (Income)/Expenditure	0	26	26

WOKING ROAD DEPOT

Direct Expenditure	426,310	452,348	26,038
Income	(540,820)	(543,368)	(2,548)
Total Directly Controllable (Income)/Expenditure	(114,510)	(91,020)	23,490
Indirect Expenditure	182,600	185,470	2,870
Net (Income)/Expenditure	68,090	94,450	26,360

RECYCLING, CLEANSING AND PARKING SERVICES OVERHEAD ACCOUNT

Direct Expenditure	171,060	163,647	(7,413)
Income	(231,570)	(231,626)	(56)
Total Directly Controllable (Income)/Expenditure	(60,510)	(67,979)	(7,469)
Indirect Expenditure	57,850	57,874	24
Net (Income)/Expenditure	(2,660)	(10,105)	(7,445)

MANAGING DIRECTOR

Revised Budget Projected Outturn Variance
 2017-2018 2017-2018

Appendix 2

SERVICE SUMMARY			
Direct Expenditure	274,000	498,668	224,668
Income	(674,860)	(674,860)	0
Total Directly Controllable (Income)/Expenditure	(400,860)	(176,192)	224,668
Indirect Expenditure	75,250	75,314	64
Net (Income)/Expenditure	(325,610)	(100,878)	224,732

INTERNAL AUDIT

Direct Expenditure	397,839	288,778	(109,061)	Salary savings resulting from the delayed implementation of a service review. It is assumed that the carry forward for internal audit consultancy will be committed during 2017-18.
Income	(406,100)	(406,100)	0	
Total Directly Controllable (Income)/Expenditure	(8,261)	(117,322)	(109,061)	
Indirect Expenditure	46,040	46,064	24	
Net (Income)/Expenditure	37,779	(71,258)	(109,037)	

BUSINESS IMPROVEMENT

Direct Expenditure	(123,839)	209,890	333,729	Salary staffings build into the budget arising from the Council wide service transformation and review programme are included in the Business Improvement account. The savings generated from the Council wide transformation programme are shown against the individual services where transformation savings have accrued. This account is therefore used solely as a mechanism to introduce a transformation target into the budget.
Income	(268,760)	(268,760)	0	
Total Directly Controllable (Income)/Expenditure	(392,599)	(58,870)	333,729	
Indirect Expenditure	29,210	29,250	40	
Net (Income)/Expenditure	(363,389)	(29,620)	333,769	

RESOURCES DIRECTORATE

Revised Budget Projected Outturn Variance
 2017-2018 2017-2018

Appendix 2

SERVICE SUMMARY			
Direct Expenditure	45,396,942	45,507,469	110,527
Income	(43,121,030)	(43,239,356)	(118,326)
Total Directly Controllable (Income)/Expenditure	2,275,912	2,268,113	(7,799)
Indirect Expenditure	2,206,176	2,211,915	5,739
Net (Income)/Expenditure	4,482,088	4,480,028	(2,060)

ACCOUNTANCY

Direct Expenditure	789,280	849,729	60,449	Redundancy costs totalling £59,000 arising from a service restructure will be funded from the invest to save reserve. One-off agency costs totalling £27,000 have been incurred to provide short term cover, facilitating the restructure.
Income	(904,280)	(904,520)	(240)	
Total Directly Controllable (Income)/Expenditure	(115,000)	(54,791)	60,209	
Indirect Expenditure	141,020	141,068	48	
Net (Income)/Expenditure	26,020	86,277	60,257	

BUSINESS RATES

Direct Expenditure	201,640	212,510	10,870
Income	(269,210)	(269,233)	(23)
Total Directly Controllable (Income)/Expenditure	(67,570)	(56,723)	10,847
Indirect Expenditure	48,150	48,230	80
Net (Income)/Expenditure	(19,420)	(8,493)	10,927

ICT BUSINESS SERVICES TEAM

Direct Expenditure	689,420	579,068	(110,352)	There are salary savings due to vacancies. The growth bid for the CRM system of £50,000 will not be spent in this financial year. Customer Service Centre salaries and agency costs are over budget by £67,000 (including vacancies credit) and the anticipated saving will not be achieved.
Income	(793,790)	(793,998)	(208)	
Total Directly Controllable (Income)/Expenditure	(104,370)	(214,930)	(110,560)	
Indirect Expenditure	117,760	117,848	88	
Net (Income)/Expenditure	13,390	(97,082)	(110,472)	

CLIMATE CHANGE

Direct Expenditure	362,280	265,117	(97,163)	Salary savings resulting from a number of vacant posts.
Income	(360,180)	(348,436)	11,744	
Total Directly Controllable (Income)/Expenditure	2,100	(83,319)	(85,419)	
Indirect Expenditure	55,620	55,676	56	
Net (Income)/Expenditure	57,720	(27,643)	(85,363)	

CORPORATE FINANCIAL

Direct Expenditure	162,250	192,353	30,103	The cost of Place Analytics and CFO Insight software totalling £14,500 will be funded from the invest to save reserve.
Income	(160,590)	(160,590)	0	
Total Directly Controllable (Income)/Expenditure	1,660	31,763	30,103	
Indirect Expenditure	256,830	256,950	120	
Net (Income)/Expenditure	258,490	288,713	30,223	

COUNCIL TAX

Direct Expenditure	710,230	612,323	(97,907)	Salary savings resulting from vacancies, pending the outcome of a service restructure.
Income	(300,000)	(235,000)	65,000	Lower than budgeted court cost income
Total Directly Controllable (Income)/Expenditure	410,230	377,323	(32,907)	
Indirect Expenditure	172,360	172,432	72	
Net (Income)/Expenditure	582,590	549,755	(32,835)	

ICT CUSTOMER TECHNICAL SUPPORT

Direct Expenditure	968,080	1,182,082	214,002	Salary savings due to vacancies will fund temporary agency staff. Redundancy costs totalling £170,000 arising from the recent restructure will be funded from the invest to save reserve. Computer maintenance and licence cost are projected to be £23,500 higher than budget. IT security costs will be £20,600 higher than budget.
Income	(1,057,360)	(1,058,132)	(772)	
Total Directly Controllable (Income)/Expenditure	(89,280)	123,950	213,230	
Indirect Expenditure	86,110	86,150	40	
Net (Income)/Expenditure	(3,170)	210,100	213,270	

FEASIBILITY STUDIES

Direct Expenditure	42,000	43,061	1,061
Total Directly Controllable (Income)/Expenditure	42,000	43,061	1,061
Indirect Expenditure	200	200	0
Net (Income)/Expenditure	42,200	43,261	1,061

DEBTORS

Direct Expenditure	155,850	166,530	10,680
Income	(203,250)	(210,298)	(7,048)
Total Directly Controllable (Income)/Expenditure	(47,400)	(43,768)	3,632
Indirect Expenditure	49,160	49,168	8
Net (Income)/Expenditure	1,760	5,400	3,640

HOUSING BENEFITS

Direct Expenditure	34,995,090	34,799,850	(195,240)	Variation in the claimant assumption. This is reflected in a corresponding adjustment in the costs recovered from DWP (see income)
Income	(34,854,980)	(34,706,367)	148,613	
Total Directly Controllable (Income)/Expenditure	140,110	93,483	(46,627)	
Indirect Expenditure	208,080	207,336	(744)	
Net (Income)/Expenditure	348,190	300,819	(47,371)	

INFORMATION SYSTEMS TEAM

Direct Expenditure	345,810	334,311	(11,499)	
Income	(324,790)	(323,145)	1,645	
Total Directly Controllable (Income)/Expenditure	21,020	11,166	(9,854)	
Indirect Expenditure	49,190	48,781	(409)	
Net (Income)/Expenditure	70,210	59,947	(10,263)	

INSURANCE REVENUE ACCOUNT

Direct Expenditure	1,001,860	1,000,715	(1,145)	
Income	(1,005,860)	(1,009,842)	(3,982)	
Total Directly Controllable (Income)/Expenditure	(4,000)	(9,127)	(5,127)	
Indirect Expenditure	4,770	4,778	8	
Net (Income)/Expenditure	770	(4,349)	(5,119)	

IT RENEWALS REVENUE ACCOUNT

Income	(602,150)	(602,150)	0	
Total Directly Controllable (Income)/Expenditure	(602,150)	(602,150)	0	
Indirect Expenditure	343,070	343,070	0	
Net (Income)/Expenditure	(259,080)	(259,080)	0	

MISCELLANEOUS ITEMS

Direct Expenditure	7,660	238,626	230,966	For budget purposes assumptions regarding slippage in revenue growth bids are held here. In addition, a corporate inflation budget to support service pressures and the implications of other corporate proposals are also shown here.
Income	428,390	(9,902)	(438,292)	Movement in the assumed position regarding external grant support.
Total Directly Controllable (Income)/Expenditure	436,050	228,724	(207,326)	
Indirect Expenditure	350	350	0	
Net (Income)/Expenditure	436,400	229,074	(207,326)	

OFFICE SERVICES TEAM

Direct Expenditure	1,588,840	1,624,652	35,812	Additional fire assessment works of £20,000 to be completed in 2017-18. The vacancy credit of £11,300 will not be achieved.
Income	(2,006,800)	(1,898,943)	107,857	Rental income from Millmead House will achieve £5,000 of the £94,500 budget. Surrey County Council have declined further office space and although other tenants are being sought significant occupancy will not be achieved in this financial year.
Total Directly Controllable (Income)/Expenditure	(417,960)	(274,291)	143,669	
Indirect Expenditure	473,836	480,056	6,220	
Net (Income)/Expenditure	55,876	205,765	149,889	

ePAYMENTS AND PAYROLL

Direct Expenditure	500,510	529,430	28,920	Redundancy costs arising from a restructure will be funded from invest to save £52,260, offset by savings from vacant posts.
Income	(673,730)	(672,700)	1,030	
Total Directly Controllable (Income)/Expenditure	(173,220)	(143,270)	29,950	
Indirect Expenditure	169,330	169,458	128	
Net (Income)/Expenditure	(3,890)	26,188	30,078	

NON DISTRIBUTED COSTS

Direct Expenditure	2,294,390	2,294,390	0
Total Directly Controllable (Income)/Expenditure	2,294,390	2,294,390	0
Indirect Expenditure	350	350	0
Net (Income)/Expenditure	2,294,740	2,294,740	0

THE VILLAGE

Direct Expenditure	359,762	353,899	(5,863)
Income	(32,450)	(36,100)	(3,650)
Total Directly Controllable (Income)/Expenditure	327,312	317,799	(9,513)
Net (Income)/Expenditure	327,312	317,799	(9,513)

WEBSITE

Direct Expenditure	221,990	228,823	6,833
Total Directly Controllable (Income)/Expenditure	221,990	228,823	6,833
Indirect Expenditure	29,990	30,014	24
Net (Income)/Expenditure	251,980	258,837	6,857

2015-16 Actual £	2016-17 Draft Actual £	Analysis	2017-18 Estimate £	2017-18 Projection £
		Borough Housing Services		
684,834	654,594	Income Collection	661,540	630,862
961,284	1,004,169	Tenants Services	935,150	926,676
94,149	71,395	Tenant Participation	139,110	82,771
71,964	68,906	Garage Management	71,080	68,115
63,133	62,795	Elderly Persons Dwellings	63,530	63,160
566,292	489,812	Flats Communal Services	410,770	541,216
414,610	473,413	Environmental Works to Estates	540,570	482,331
4,752,742	5,088,818	Responsive & Planned Maintenance	5,167,820	5,133,547
136,164	149,529	SOCH & Equity Share Administration	133,290	126,265
7,745,172	8,063,430		8,122,860	8,054,943
		Strategic Housing Services		
398,983	393,556	Advice, Registers & Tenant Selection	348,620	349,165
191,815	199,230	Void Property Management & Lettings	170,650	194,373
7,359	10,098	Homelessness Hostels	9,130	9,129
217,175	200,681	Supported Housing Management	202,710	188,282
430,396	593,967	Strategic Support to the HRA	387,900	385,102
1,245,728	1,397,533		1,119,010	1,126,051
		Community Services		
897,939	822,862	Sheltered Housing	875,690	838,568
		Other Items		
6,437,625	6,703,540	Depreciation	5,000,000	5,000,000
(1,156,635)	2,661,783	Revaluation and other Capital items	0	0
85,409	147,485	Debt Management	159,440	159,440
0	0	Rent Rebates	0	0
154,473	154,218	Other Items	649,220	649,220
15,409,711	19,950,851	Total Expenditure	15,926,220	15,828,222
(32,592,728)	(32,623,860)	Income	(31,749,670)	(32,203,759)
(17,183,017)	(12,673,009)	Net Cost of Services(per inc & exp a/c)	(15,823,450)	(16,375,538)
241,767	259,861	HRA share of CDC	238,230	238,230
(16,941,250)	(12,413,148)	Net Cost of HRA Services	(15,585,220)	(16,137,308)
(332,979)	(508,072)	Investment Income	(364,250)	(606,171)
5,173,010	5,022,423	Interest Payable	5,143,050	5,018,580
(12,101,219)	(7,898,797)	Deficit for Year on HRA Services	(10,806,420)	(11,724,899)
		REFCUS - Revenue funded from capital	75,000	75,000
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000
8,435,425	7,966,069	Contrib to/(Use of) New Build Reserve	8,231,420	9,149,899
0	0	CERA - Capital Expenditure from revenue	0	0
31,451	121,431	Tfr (fr) to Pensions Reserve	0	0
1,165,390	(2,648,007)	Tfr (from)/to CAA re: Revaluation	0	0
0	(25,420)	Tfr (from)/to CAA re: REFCUS	0	0
(8,755)	(13,775)	Tfr (from)/to CAA re: Intangible assets	0	0
(22,292)	(1,500)	Tfr (from)/to CAA re: rev. inc. from sale of asset	0	0
(0)	(0)	HRA Balance	0	0
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)
(2,500,000)	(2,500,000)	Balance Carried Forward	(2,500,000)	(2,500,000)

2015-16 Actual £	2016-17 Draft Actual £	Analysis	2017-18 Estimate £	2017-18 Projection £
		Borough Housing Services		
(29,937,928)	(29,850,855)	Rent Income - Dwellings	(29,062,000)	(29,578,778)
(203,864)	(213,964)	Rent Income - Rosebery Hsg Assoc	(203,860)	(206,391)
(194,792)	(194,263)	Rents - Shops, Buildings etc	(181,000)	(194,874)
(661,341)	(677,827)	Rents - Garages	(730,000)	(703,783)
(30,997,925)	(30,936,909)	Total Rent Income	(30,176,860)	(30,683,826)
(300,297)	(345,764)	Supporting People Grant	(250,000)	(271,100)
(970,273)	(961,529)	Service Charges	(978,680)	(981,502)
(27,549)	(5,155)	Legal Fees Recovered	(28,000)	(28,000)
0.00	0	Council Tax Recovered	0	0
(39,590)	(40,025)	Service Charges Recovered	(54,550)	(54,550)
(257,094)	(334,477)	Miscellaneous Income	(261,580)	(184,782)
(32,592,728)	(32,623,860)	Total Income	(31,749,670)	(32,203,759)

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Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
	(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(g) £000	(b)+(g) = (h) £000	(i) £000	(h)-(i) = (j) £000
APPROVED SCHEMES														
COMMUNITY														
Neighbourhood & housing management														
Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 3	116	105	-	11	5	11	-	-	-	-	-	116	-	116
Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 4	136	132	-	4	-	4	-	-	-	-	-	136	(6)	130
Furniture link guildford (No longer required)	30	-	-	30	-	-	-	-	-	-	-	-	-	-
Home Farm, Effingham - provision of Gypsy and Traveller pitches	1,000	230	655	770	625	770	-	-	-	-	-	1,000	-	1,000
General Fund Housing														
Disabled Facilities Grants			450	450	287	450	-	-	-	-	-	450	(605)	(155)
Home Improvement Assistance			40	40	40	40	-	-	-	-	-	40	-	40
Solar Energy Loans			30	30	-	30	-	-	-	-	-	30	-	30
SHIP			-	-	2	-	-	-	-	-	-	-	-	-
General Grants to HAS			100	100	-	100	100	100	100	100	400	500	-	500
General feasibility, site preparation costs for affordable housing			120	135		135	120	120	120	120	480	615	-	615
Bright Hill Car Park Site		4			8							4	-	4
Ladymead/Fire Station site preparation		69			18							69	-	69
Garage Sites-General		146			11							146	-	146
Garage Sites Phase 1		1			1							1	-	1
Guildford Park Car Park		311			48							311	-	311
Apple Tree Pub Site		66			8							66	-	66
COMMUNITY DIRECTORATE TOTAL	1,282	1,064	1,395	1,570	1,053	1,540	220	220	220	220	880	3,484	(611)	2,873
CORPORATE														
New War Memorial	50			50	13	50						50		50
	50			50	13	50						50		50
DEVELOPMENT														
Economic development														
Disabled Access (DDA) Improvements: ph.2 & 3	390	344	42	46	1	10	36	-	-	-	36	390	-	390
Void investment property refurbishment works	400	196	-	138	-	24	116	-	-	-	116	400	-	400
Foundation Unit 1 Middleton				10	8	8								
Unit 4 Middleton				50	1	50								
16 Ent Est void works				6	6	6								
Middleton Ind Est Redevelopment														
Museum and castle development	267	3	17	264	25	100	164	-	-	-	164	267	-	267
Asbestos surveys and removal in non-residential council premises	158	86	32	40	27	30	42	-	-	-	42	158	-	158
Methane gas monitoring system	100	40	-	60	0	60	-	-	-	-	-	100	-	100
Energy efficiency compliance - Council owned properties	45	8	-	37	1	20	17	-	-	-	17	45	-	45
Rebuild retaining wall on Shalford Park boundary with the Old Vicarage	60	3	-	57	17	40	-	-	-	-	-	43	(20)	23
Bridges -Inspections and remedial works	117	148	-	(31)	20	(33)	-	-	-	-	-	115	-	115
Bridges - Millmead Footbridge(complete)					2	2								
Guildford House courtyard (Complete)	7	5	-	2	-	2	-	-	-	-	-	7	-	7
Electric Theatre - new boilers	120	-	120	120	-	120	-	-	-	-	-	120	-	120
Gfd business incubation project (No longer required)	110	-	-	110	-	-	-	-	-	-	-	-	-	-
The Billings roof	200	13	150	187	0	10	177	-	-	-	177	200	-	200

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
	(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(g) £000	(b)+(g) = (h) £000	(i) £000	(h)-(i) = (j) £000
Guildford house damproofing- removal of decayed timber panelling and Broadwater cottage	20	-	-	20	0	20	-	-	-	-	-	20	-	20
Gunpowder mills - scheduled ancient monument	74	0	-	74	1	10	64	-	-	-	64	74	-	74
New House - short term works following acquisition	50	-	-	50	0	10	40	-	-	-	40	50	-	50
Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	70	-	-	70	11	70	-	-	-	-	-	70	-	70
Site clearance costs ahead of sale of Burpham Court Farm Buildings	835	-	835	835	113	835	-	-	-	-	-	835	-	835
	50	-	-	50	-	50	-	-	-	-	-	50	-	50
PLANNING SERVICES														
Environmental Improvements: High Street / Chertsey St., Guildford	60	-	60	60	-	-	-	-	-	-	-	-	(20)	(20)
Guildford Riverside Route Ph 1 (part SPA) complete	708	636	-	72	-	2	-	-	-	-	-	638	(531)	107
DEVELOPMENT DIRECTORATE TOTAL	3,841	1,481	1,256	2,327	234	1,446	656	-	-	-	656	3,581	(571)	3,010
ENVIRONMENT														
Operational Services														
Safer Guildford: CCTV & Lighting Strategy - CCTV etc. phase 4	93	82	-	11	-	11	-	-	-	-	-	93	-	93
Sluice Gates Motorisation at Town Mill Toll House(complete)	70	64	-	6	-	-	-	-	-	-	-	64	-	64
Mill Lane (Pirbright) Flood Protection Scheme	71	55	-	16	-	-	16	-	-	-	16	71	(19)	52
Vehicles, Plant & Equipment Replacement Programme	6,445	5,018	300	827	155	827	600	-	-	-	600	6,445	-	6,445
Ash Surface Water (grant funded)	22	22	-	-	-	-	-	-	-	-	-	22	(22)	0
William Road Flood (grant funded)	15	15	-	-	-	-	-	-	-	-	-	15	(15)	0
Flexford Flood (EA grant)	50	59	-	-	-	-	-	-	-	-	-	59	(59)	0
Ashenden rd (EA grant)	3	3	-	-	-	-	-	-	-	-	-	3	(3)	0
Mary Road Flood (EA grant)	-	-	-	45	16	45	-	-	-	-	-	45	(45)	-
Flood resilience measures (use in conjunction with grant funded schemes)	100	-	100	100	-	-	-	100	-	-	100	100	-	100
Litter bins replacement	265	31	230	234	6	234	-	-	-	-	-	265	-	265
Flats recycling - new bins	50	19	-	31	13	31	-	-	-	-	-	50	-	50
WRD security barriers	15	11	-	4	1	4	-	-	-	-	-	15	-	15
WRD roads and footpaths	150	59	100	91	-	11	40	40	-	-	80	150	-	150
Merrow lane grille & headwall construction	60	3	-	57	-	5	52	-	-	-	52	60	-	60
Merrow & Burpham surface water study	15	-	-	15	-	-	15	-	-	-	15	15	-	15
Crown court CCTV	10	-	-	10	-	10	-	-	-	-	-	10	-	10
Parks and Leisure														
Crematorium - mercury abatement/new cremators	1,266	988	-	278	132	278	-	-	-	-	-	1,266	-	1,266
Spectrum Roof replacement	4,000	147	3,420	3,464	1,077	2,503	-	-	-	-	-	2,650	-	2,650
Spectrum roof - steelwork ph2	-	389	-	-	6	1	-	-	-	-	-	390	-	390
Spectrum roof - steelwork ph3	-	-	-	-	493	160	-	-	-	-	-	160	-	160
Infrastructure works: Guildford Commons	150	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure works: Guildford Commons: Merrow	-	10	10	13	2	13	-	-	-	-	-	23	-	23
Infrastructure works: Guildford Commons: Shalford	-	63	40	44	23	27	33	-	-	-	33	123	-	123
Infrastructure works: Guildford Commons: Compton (complete)	-	-	-	4	3	3	-	-	-	-	-	3	-	3
Onslow Rec play area	174	156	-	18	9	18	-	-	-	-	-	174	-	174
Westnye Gardens play area	125	-	125	125	10	15	110	-	-	-	110	125	-	125
Stoke Park Paddling Pool (ph1&2)	423	376	-	47	42	40	-	-	-	-	-	416	-	416
Replacement roundabout planters	20	18	-	2	3	2	-	-	-	-	-	20	-	20
Stoke Park Bowls Club	102	-	-	62	90	102	-	-	-	-	-	102	(40)	62
Stoke cemetery re-tarmac	47	-	-	47	-	-	47	-	-	-	47	47	-	47
Woodbridge rd sportsground replace fencing	160	38	-	122	1	122	-	-	-	-	-	160	-	160
Stoke Park Composting facility	105	-	105	105	-	-	105	-	-	-	105	105	-	105
Chantry wood campsite	216	3	200	213	3	3	210	-	-	-	210	216	-	216
Replace hanging basket posts	88	13	-	75	40	75	-	-	-	-	-	88	(44)	44

Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
	(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(g) £000	(b)+(g) = (h) £000	(i) £000	(h)-(i) = (j) £000
Stoke pk office accomodation & storage buildings (Greenhouse)Complete	65	15	-	50	55	55	-	-	-	-	-	70	-	70
Pre-sang costs	100	1	-	99	15	20	79	-	-	-	79	100	-	100
Stoke Cemetry Chapel - phase 2	75	0	3	3	1	3	72	-	-	-	72	75	-	75
Replace stoke pk gardens attendant hut/Visitor information point	70	0	70	120	10	120	-	-	-	-	-	120	-	120
Countryside fence replacement	97	-	50	50	56	50	47	-	-	-	47	97	-	97
Purchase of Park Iroko Timber Bins				22	22	22								
Sutherland Memorial Park LED lighting	25	-	-	25	-	25	-	-	-	-	-	25	-	25
ENVIRONMENT TOTAL DIRECTORATE	14,742	7,657	4,753	6,435	2,284	4,835	1,426	140	-	-	1,566	14,036	(247)	13,789
RESOURCES														
Business Systems														
Investment in Millmead House campus	3,884	3,828	-	56	42	56	-	-	-	-	-	3,884	-	3,884
Millmead House Toilet refurb	121	13	-	108	71	108	-	-	-	-	-	121	-	121
Financial Services														
Capital contingency fund	annual	-	5,000	4,527	-	4,527	5,000	5,000	5,000	5,000	20,000	24,527	-	24,527
RESOURCES DIRECTORATE TOTAL	4,005	3,841	5,000	4,691	113	4,691	5,000	5,000	5,000	5,000	20,000	28,532	0	28,532
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS														
Guildford Park - new MSCP and infrastructure works	6,500	503	4,500	5,997	341	5,997	-	-	-	-	-	6,500	-	6,500
Clay lane link road	700	802	-	(102)	184	(102)	-	-	-	-	-	700	-	700
Slyfield Area Regeneration Project (SARP)	1,984	217	-	1,767	821	1,767	-	-	-	-	-	1,984	-	1,984
North Street Development / Guild Town Centre regeneration	977	640	100	237	61	237	100	-	-	-	100	977	(50)	927
Pop up Village(complete)	553	695	-	100	103	100	-	-	-	-	-	795	-	795
Investment in North Downs Housing	24,340	1,440	3,300	3,300	-	900	12,840	-	-	-	12,840	15,180	-	15,180
Equity shares in Guildford Holdings ltd	960	960	2,200	2,200	-	600	8,560	-	-	-	8,560	10,120	-	10,120
Walnut Bridge replacement	3,341	481	1,884	1,834	344	1,834	1,026	-	-	-	1,026	3,341	(1,530)	1,811
TCMP Sites U: Bedford Rd Wharf	14,176	-	14,176	14,176	-	-	-	14,176	-	-	14,176	14,176	-	14,176
TCMP Sites U: Bedford Rd Wharf	3,523	-	3,523	3,523	-	-	-	3,523	-	-	3,523	3,523	-	3,523
Rebuild Crematorium	10,040	158	3,410	3,792	360	500	9,312	70	-	-	9,382	10,040	-	10,040
Spectrum Combined Heat and Power (GF contr)	1,110	21	869	848	90	848	-	-	-	-	-	869	-	869
Woodbridge Rd sportsground	1,900	516	1,150	1,384	1,232	1,384	-	-	-	-	-	1,900	(775)	1,125
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TO	70,104	6,434	35,112	39,056	3,535	14,065	31,838	17,769	0	0	49,607	70,106	(2,355)	67,751
APPROVED SCHEMES TOTAL	94,024	20,477	47,516	54,129	7,232	26,627	39,140	23,129	5,220	5,220	72,709	119,790	(3,784)	116,005
non-development projects total	23,920	14,044	12,404	15,073	3,697	12,562	7,302	5,360	5,220	5,220	23,102	49,684	(1,430)	48,254
SUMMARY														
APPROVED SCHEMES - TOTAL	94,024	20,477	47,516	54,129	7,232	26,627	39,140	23,129	5,220	5,220	72,709	119,790	(3,784)	116,005
GRAND TOTAL	94,024	20,477	47,516	54,129	7,232	26,627	39,140	23,129	5,220	5,220	72,709	119,790	(3,784)	116,005

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Directorate / Service Units Capital Schemes	Gross estimate approved by Executive £000	Cumulative spend at 31-03-17 £000	Estimate approved by Council in £000	Revised estimate £000	Expenditure at 18.12.17 £000	Projected exp est by project officer £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	2022-23 Est for year £000	2023-24 Est for year £000	Future years estimated expenditure £000	Projected expenditure total £000	Grants or Contributions towards cost of scheme £000	Net total cost of scheme to the Council £000
PROVISIONAL SCHEMES (schemes approved in principle; further report to the Executive required)																
COMMUNITY DIRECTORATE																
COMMUNITY DIRECTORATE TOTAL																
CORPORATE DIRECTORATE no projects																
CORPORATE DIRECTORATE TOTAL																
DEVELOPMENT DIRECTORATE																
Void investment property refurbishment works	300	-	100	100	-	-	200	100	-	-	-	-	300	300	-	300
Guildford Museum	4,750	-	2,000	2,000	-	-	-	-	4,750	-	-	-	4,750	4,750	-	4,750
Methane gas monitoring system	150	-	-	150	-	150	-	-	-	-	-	-	-	150	-	150
Energy efficiency compliance - Council owned properties	1,150	-	920	920	-	-	1,150	-	-	-	-	-	1,150	1,150	-	1,150
Bridges	570	-	570	570	-	100	470	-	-	-	-	-	470	570	-	570
Gunpowder mills - scheduled ancient monument	172	-	-	172	-	-	172	-	-	-	-	-	172	172	-	172
Guildford Riverside Route PH 2&3 - NO LONGER RQD (moved)	2,400	-	2,400	2,400	2	-	-	-	-	-	-	-	-	-	-	-
Cladding of Ash Vale units	145	-	145	145	-	-	145	-	-	-	-	-	145	145	-	145
Westfield/Moorfield rd resurfacing	3,152	-	3,152	3,152	-	-	3,152	-	-	-	-	-	3,152	3,152	-	3,152
Burpham Court Farm	365	-	365	365	-	-	-	-	-	-	-	-	-	-	-	-
Exhibition lighting at Guildford House	50	-	50	50	-	50	-	-	-	-	-	-	-	50	-	50
Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	1,165	-	1,165	1,165	-	15	1,150	-	-	-	-	-	1,150	1,165	-	1,165
DEVELOPMENT DIRECTORATE TOTAL																
ENVIRONMENT DIRECTORATE																
Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	200	-	-	200	-	-	-	-	-	200	200	(20)	180
Vehicles, Plant & Equipment Replacement Programme	5,900	-	-	-	-	-	-	4,000	1,000	-	-	-	5,000	5,000	-	5,000
New vehicle washing system	155	-	155	155	0	-	155	-	-	-	-	-	155	155	-	155
Surface water management plan	200	-	-	200	-	-	200	-	-	-	-	-	200	200	-	200
WRD - cleansing office heating system	11	-	11	11	11	11	-	-	-	-	-	-	-	11	-	11
Spectrum schemes to be agreed with Freedom Leisure	700	-	700	700	-	700	-	-	-	-	-	-	-	700	-	700
New burial grounds - acquisition & development	7,834	26	2,490	2,508	-	-	2,508	5,300	-	-	-	-	7,808	7,834	-	7,834
Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	150	150	-	-	150	-	-	-	-	-	150	150	-	150
Council owned playground refurbishment	320	-	-	100	-	-	200	120	-	-	-	-	320	320	-	320
Council tennis courts refurbishment	295	-	215	245	-	50	195	-	-	-	-	-	195	245	(10)	235
Kings college astro turf	120	-	120	120	-	-	120	-	-	-	-	-	120	120	-	120
Aldershot rd allotment expansion & improvement	200	-	-	200	-	-	200	-	-	-	-	-	200	200	-	200
Stoke pk office accomodation & storage buildings	665	-	625	665	-	50	615	-	-	-	-	-	615	665	-	665
Sutherland memorial park all weather courts	25	-	25	25	-	25	-	-	-	-	-	-	-	25	-	25
Stoke Pk gardens water feature refurb	81	-	81	81	-	81	-	-	-	-	-	-	-	81	(59)	22
Wall repairs for parks, cemeteries & recreation facilities	195	0	15	15	8	15	180	-	-	-	-	-	180	195	-	195
Bellfields YCC	60	1	60	59	2	59	-	-	-	-	-	-	-	60	-	60
Resurface Lido Rd CP	100	-	100	100	-	-	100	-	-	-	-	-	100	100	-	100
Sutherland Memorial Park LED lighting	10	-	35	10	-	10	-	-	-	-	-	-	-	10	-	10
Park Barn CC LED lighting upgrade	22	-	22	22	-	22	-	-	-	-	-	-	-	22	-	22

Directorate / Service Units Capital Schemes	Gross estimate approved by Executive £000	Cumulative spend at 31-03-17 £000	Estimate approved by Council in £000	Revised estimate £000	Expenditure at 18.12.17 £000	Projected exp est by project officer £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	2022-23 Est for year £000	2023-24 Est for year £000	Future years estimated expenditure £000	Projected expenditure total £000	Grants or Contributions towards cost of scheme £000	Net total cost of scheme to the Council £000
ENVIRONMENT DIRECTORATE TOTAL	17,243	27	4,804	5,566	21	1,023	4,823	9,420	1,000	-	-	-	15,243	16,293	(89)	16,204
RESOURCES DIRECTORATE																
Renewables	65	-	-	65	-	65	-	-	-	-	-	-	-	65	-	65
RESOURCES DIRECTORATE TOTAL	65	-	-	65	-	65	-	-	-	-	-	-	-	65	-	65
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
Guildford Park new MSCP and infrastructure works	23,125	-	11,645	11,645	-	-	18,625	4,500	-	-	-	-	23,125	23,125	-	23,125
Clay lane link road	10,439	-	100	1,100	-	1,100	4,339	5,000	-	-	-	-	9,339	10,439	(1,340)	9,099
Slyfield Area Regeneration Project (SARP) (GBC share)	72,324	-	15,000	15,058	-	-	900	6,000	700	22,962	41,762	-	72,324	72,324	(7,500)	64,824
North Street development	29,590	-	1,000	1,000	-	-	-	29,590	-	-	-	-	29,590	29,590	-	29,590
Redevelop Midleton industrial estate	14,907	-	1,837	1,837	5	53	1,784	-	13,070	-	-	-	14,854	14,907	-	14,907
Bright Hill Development	13,500	-	500	500	-	-	500	1,250	6,250	5,500	-	-	13,500	13,500	-	13,500
Transport schemes for future Local Growth Fund and other funding opportunities	4,000	-	4,000	4,000	-	-	4,000	-	-	-	-	-	4,000	4,000	(3,500)	500
Town centre transport infrastructure package	217	-	217	217	-	217	-	-	-	-	-	-	-	217	-	217
Sustainable Movement Corridor	9,895	-	-	-	-	-	850	1,500	1,500	-	6,045	-	9,895	9,895	(2,725)	7,170
Guildford West (PB) station	5,000	-	500	500	-	-	1,000	1,000	3,000	-	-	-	5,000	5,000	(3,750)	1,250
Strategic property acquisitions	34,120	-	-	-	-	-	-	7,020	13,300	13,800	-	-	34,120	34,120	-	34,120
Bedford Wharf	23,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guildford Gyratory & approaches	12,000	-	-	-	-	-	200	833	3,500	3,500	3,967	-	12,000	12,000	(5,700)	6,300
Investment in North Downs Housing	31,540	1,440	-	-	-	-	-	6,120	11,940	-	-	-	18,060	19,500	-	19,500
Equity shares in Guildford Holdings Ltd	960	960	-	-	-	-	-	4,080	7,960	-	-	-	12,040	13,000	-	13,000
Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	-	-	4,000	4,000	4,000	-	4,000
Additional Parking Space Mary Rd & Millbrook Car Parks; Option 1: Mary Road decking (Option 3 being the more expensive option has been included in the figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Option 2: Millbrook decking	1,025	-	-	-	-	-	-	1,025	-	-	-	-	1,025	1,025	-	1,025
Option 3: Mary Road Multi Storey (this more expensive option has been included in the figures)	5,565	-	-	-	-	-	-	5,565	-	-	-	-	5,565	5,565	-	5,565
COME GENERATING/COST REDUCTION PROJECTS TOTAL	295,207	2,400	34,799	35,857	5	1,370	32,198	73,483	61,220	45,762	51,774	4,000	268,437	272,207	(24,515)	247,692
PROVISIONAL SCHEMES - GRAND TOTALS	326,884	2,427	50,470	52,677	28	2,773	43,460	83,003	66,970	45,762	51,774	4,000	294,969	300,169	(24,604)	275,565
non development projects	31,677	27	15,671	16,820	23	1,403	11,262	9,520	5,750	-	-	-	26,532	27,962	(89)	27,873
SUMMARY																
PROVISIONAL SCHEMES - TOTAL	326,884	2,427	50,470	52,677	28	2,773	43,460	83,003	66,970	45,762	51,774	4,000	294,969	300,169	(24,604)	275,565
GRAND TOTAL	326,884	2,427	50,470	52,677	28	2,773	43,460	83,003	66,970	45,762	51,774	4,000	294,969	300,169	(24,604)	275,565

Ref	Year approved	Project Officer	Code	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-17	2016-17 Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme	Total net cost approved by Executive
					(a)	(b)	(c)	(d)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(g) = (h)	(i)	(h)-(i) = (j)	(k)
					£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
APPROVED SCHEMES (fully funded from S106)																				
OPERATIONAL SERVICES																				
S-OP3	17-18	BS	P66093	Hayden Place CCTV - P92310	35			35	-	35							35	(35)		
OPERATIONAL SERVICES S106 - Totals					-	-	-	35	-	35	-	-	-	-	-	-	196	(196)	-	-
ENVIRONMENT DIRECTORATE																				
S-PL1	08-09	SK	P29014/	Woodbridge Meadow Artwork	104	103	-	1	(0)	1	-	-	-	-	-	-	104	(104)	-	-
S-PL2	09-10	SK	P41058	G Live Artwork	34		-	2	-	2	-	-	-	-	-	-	34	(34)	-	-
S-PL3		SK	P29008	Art Print Hse Sq (Sculpture Martyr Rd)	36	25	-	11	-	11	-	-	-	-	-	-	36	(36)	-	-
S-PL7		JS/SA	P18139	Tilehouse Open Space - Playground Refurbishment &	132	102	-	30	-	30	-	-	-	-	-	-	132	(132)	-	-
S-PL8		JS/SA	P18137	Baird Drive/Briars Playground Refurb	10	-	-	10	3	10	-	-	-	-	-	-	10	(10)	-	-
S-PL13	12-13	PN/DW	P18143	Stoke Recreation Ground play area	41	37	-	4	-	4	-	-	-	-	-	-	41	(41)	-	-
S-PL17	13-14	JS/SA	P18156	Bushy Hill Facilities	27	16	-	11	-	11	-	-	-	-	-	-	27	(27)	-	-
S-PL23	13-14	SK	P29013	75-78 Woodbridge Rd	15	4	-	11	4	11	-	-	-	-	-	-	15	(15)	-	-
S-PL29	14-15	SA/BW	P18162	Greening the approaches - roundabouts	40	5	-	35	-	35	-	-	-	-	-	-	40	(40)	-	-
S-PL33	15-16	SA		Installation of trampoline play equipment	11	-	-	11	-	11	-	-	-	-	-	-	11	(11)	-	-
S-PL36	15-16	HJ	P18177	Gunpowder mills - signage, access and woodland imps	16	11	-	5	-	5	-	-	-	-	-	-	16	(16)	-	-
S-PL38	15-16	SA	P18181	Goose green play area improvements	21	20	-	-	1	-	-	-	-	-	-	-	20	(20)	-	-
S-PL40	15-16	SA	P18186	Ripley PC skate ramp	47	22	-	25	-	25	-	-	-	-	-	-	47	(47)	-	-
S-PL42	15-16	SK	P29016	Sutherland memorial park public art project	23	22	-	1	0	1	-	-	-	-	-	-	23	(23)	-	-
S-PL46	16-17	SA	P18198	Shalford Park Pavilion Improvements - COMPLETE	23	22	-	1	2	1	-	-	-	-	-	-	23	(23)	-	-
S-PL47	16-17	SA		Fir Tree Garden	28	-	28	28	-	28	-	-	-	-	-	-	28	(28)	-	-
S-PL48	17-18	SA	P18211	Stoke Park Trim Trail	23			23	-	23	-	-	-	-	-	-	23	(23)	-	-
ENVIRONMENT DIRECTORATE TOTAL					527	317	28	208	9	208	-	-	-	-	-	-	525	(525)	-	-
APPROVED SCHEMES continued (fully funded from S106 contributions)																				
DEVELOPMENT DIRECTORATE																				
S-P1	06-07	MW	P41045	Haydon Place / Martyr Road	67	64	-	3	12	12	-	-	-	-	-	-	76	(76)	-	-
S-P3	01-02	MW	P41076	North Street Rejuvenation Project	489	257	232	232	-	-	-	-	-	-	-	-	257	(257)	-	-
S-P5	12-13	BW		Falcon Rd Guildford	6	-	-	6	-	6	-	-	-	-	-	-	6	(6)	-	-
S-P7	12-13	BW	P41063	Woodbridge meadows	243	197	-	46	-	46	-	-	-	-	-	-	243	(243)	-	-
S-P8		BW	P41086	Woodbridge Hill environmental improvements	226	17	180	210	30	210	-	-	-	-	-	-	227	(227)	-	-
S-P10		MW	P41085	G Live Lighting and Signage York Road	32	23	-	9	0	9	-	-	-	-	-	-	32	(32)	-	-
S-P11		ST	P31003	G Live Bus stop/drop off point	11	4	-	7	-	7	-	-	-	-	-	-	11	(11)	-	-
S-P12		MW	P41074	Espom Rd/Boxgrove Road	150	87	-	63	-	63	-	-	-	-	-	-	150	(150)	-	-
S-P13		MW	P41073	Kingpost Parade car park	20	19	-	2	-	2	-	-	-	-	-	-	21	(21)	-	-
S-P14		MW	P41084	Bridge Street Waymarking	5	1	-	4	-	4	-	-	-	-	-	-	5	(5)	-	-
DEVELOPMENT DIRECTORATE TOTOAL					1,249	668	412	582	43	359	-	-	-	-	-	-	1,027	(1,027)	-	-
APPROVED S106 SCHEMES TOTAL					1,775	985	440	825	52	602	-	-	-	-	-	-	1,748	(1,748)	-	-

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Item No.	Project Officer	Useful Life of asset (yrs)	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-17	2016-17 Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	Future years est exp	Projected expenditure total	
					(a)	(b)	(c)		(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(g) = (h)	
					£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
RESOURCES DIRECTORATE																		
			P59...	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-	
R-EN10	CR	15	P59034	LED Lighting replacement	80	49	-	31	-	19	-	-	-	-	-	-	69	
			P59040	Salix lighting Harbour Hotel					2	2							2	
			P59041	Salix lighting Black Horse					10	10							10	
R-EN11	CR			WRD energy reduction	70	-	-	70	-	70	-	-	-	-	-	-	70	
ENERGY PROJECTS per GBC INVEST TO SAVE																		
				GBC 'Invest to Save' energy projects (to be repaid in			-	164	-	164	-						-	
R-EN12	CR		P59102	PV/energy efficiency projects	100	2	-	98	-	98	-	-	-	-	-	-	100	
ENERGY RESERVES TOTAL					250	51	-	363	12	363	-	-	-	-	-	-	250	
BUDGET PRESSURES RESERVE																		
R-BP1	CM	REFCUS	P79999	Surreysave Credit Union - purchase of shares	100	50	-	50	50	50	-	-	-	-	-	-	100	
BUDGET PRESSURES RESERVE TOTAL					100	50	-	50	50	50	-	-	-	-	-	-	-	100
LABGI RESERVE																		
R-LB	CM		P79024	Bedford Rd Bus Station	250	59	-	-	174	191	-	-	-	-	-	-	250	
LABGI RESERVE TOTAL					250	59	-	-	174	191	-	-	-	-	-	-	-	250
INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually																		
				Hardware / software budget			-	350	854	469	350	350	350	-	-	1,050	1,519	
R-IT1	SW-M	4	P81002	Hardware	annual	annual	-	-	377	377	-	-	-	-	-	-	377	
R-IT2	SW-M	6	P81002	Software	annual	annual	-	-	-	-	-	-	-	-	-	-	-	
	AH			ICT infrastructure improvements	1,250		-	-	-	-	1,250	-	-	-	-	1,250	1,250	
			P81023	Efin upgrade and eproc implement		12	-	-	8	8							8	
			P81029	Replace Ocella (Tascom)		10	-	-	-	-								
IT RENEWALS RESERVE TOTAL					1,250	22	350	854	385	854	1,600	350	350	-	-	2,300	3,154	
ENVIRONMENT DIRECTORATE																		
SPECTRUM RESERVE																		
R-S10	PN	15	P24028	Chiller Replacement & CHO absorption chiller	245	-	-	243	-	243	-	-	-	-	-	-	243	
R-S13	PN		P24056	Lift controls - replacement	310	48	-	262	-	262	-	-	-	-	-	-	310	
SPECTRUM RESERVE TOTAL					555	48	-	505	-	505	-	-	-	-	-	-	553	
CAR PARKS RESERVE																		
R-CP1	KMc	10	P37503	Car parks - install/replace pay-on-foot equipment	570	240	334	330	-	330	-	-	-	-	-	-	570	
				Car Parks - Lighting & Electrical improvements:														
R-CP13	KMc/RH		P37515	- Castle, Farnham & York Rd Lighting	300	-	-	300	-	300	-	-	-	-	-	-	300	
				Car parks - Deck surfacing:														
R-CP8	KMc/KS	12		- Castle car park (PR000299)	325	-	-	-	-	-	325	-	-	-	-	325	325	
R-CP10	KMc/KS	12		- Bedford Road (PR000243)	512	-	512	512	-	59	-	-	-	-	-	-	59	
R-CP12	MvdR/AH		P37511	Replacement of collapsed retaining wall Bright Hill	321	16	-	305	31	30	-	-	-	-	-	-	46	
R-CP14	KMc/RH		P37514	Lift replacement (PR000293)	841	-	187	280	68	280	187	187	187	-	-	561	841	
R-CP15	KMc/RH			Marrow P&R CCTV (PR000298)	50	-	-	50	-	50	-	-	-	-	-	-	50	
R-CP16	KMc/RH		P37518	Bright Hill Barrier essential works (PR000425)	80	1	-	79	51	79	-	-	-	-	-	-	80	
R-CP17	KMc/RH			Leapale rd MSCP drainage (PR000433)	90	-	90	90	-	-	90	-	-	-	-	90	90	

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Appendix 7

Item No.	Project Officer	Useful Life of asset (yrs)	Code	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-17	2016-17	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19	2019-20	2020-21	2021-22	2022-23	Future years est exp	Projected expenditure total
							Estimate approved by Council in February				Est for year	Est for year	Est for year	Est for year	Est for year	(b)+(g) = (h)	
					(a)	(b)	(c)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(g) = (h)	
					£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CAR PARKS RESERVE TOTAL					3,089	257	1,123	1,946	150	1,128	602	187	187	-	-	976	2,361
SPA RESERVE :																	
			P20...	SPA schemes (various)	100	annual	100	165	-	151	100	-	-	-	-	100	265
R-SPA1			P201..	Chantry Woods					-	-						-	
R-SPA2			P202..	Effingham					1	1						-	
R-SPA3			P203..	Lakeside					-	-						-	
R-SPA4			P204..	Riverside					10	10						-	
R-SPA5			P205..	Parsonage					3	3						-	
R-SPA7				Access tracks at Chantry Wood	60	-	-	60	-	60	-	-	-	-	-	-	60
SPA RESERVE TOTAL					160	-	100	225	14	225	100	-	-	-	-	100	325
GRAND TOTALS					5,654	486	1,573	3,943	785	3,316	2,302	537	537	-	-	3,376	6,993

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 2016-17 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, dependding 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

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Balance as at 1 April	0	0	0	0	0	0	0	0
Add estimated usable receipts in year	259	330	324	4,000	9,200	9,075	16,000	0
Less applied re funding of capital schemes	(259)	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Balance after funding capital expenditure as at 31 March	0	0	0	0	0	0	0	0

Agenda item number: 5
Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

APPENDIX 5

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

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
	33,836	47,516	26,627	39,140	23,129	5,220	5,220	0
	20	50,470	2,773	43,460	83,003	66,970	45,762	51,774
	447	440	602	0	0	0	0	0
	3,199	1,573	3,316	2,302	537	537	0	0
	744	0	0	0	0	0	0	0
Total estimated capital expenditure	38,246	99,999	33,318	84,902	106,669	72,727	50,982	51,774
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(2,860)	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Contributions	(3,128)	(3,982)	(3,432)	(1,221)	(2,250)	(4,750)	(1,750)	0
<u>R.C.C.O.:</u>								
Other reserves	(1,523)	(7,973)	(8,371)	(13,980)	(757)	(757)	(220)	0
	(7,511)	(12,285)	(12,127)	(19,201)	(12,207)	(14,582)	(17,970)	0
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(30,735)	(87,714)	(21,192)	(65,701)	(94,462)	(58,145)	(33,012)	(51,774)
Total funding required	(38,246)	(99,999)	(33,318)	(84,902)	(106,669)	(72,727)	(50,982)	(51,774)

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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

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Balance as at 1 April	639	0	1,000	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	1,000	0	0	0	0	0	0	0
	1,639	0	1,000	0	0	0	0	0
Less: Applied re funding of capital programme	(639)	0	(1,000)	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	1,000	0	0	0	0	0	0	0

Estimated shortfall at year-end to be funded from borrowing

	30,096	87,714	20,192	65,701	94,462	58,145	33,012	51,774
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Agenda item number: 5
Appendix 8

GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

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

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

Less: Applied on regeneration schemes

Housing receipts - estimated balance in hand at year end

2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
17,276	14,201	14,861	13,361	0	0	0	0
0	0	0	0	0	0	0	0
(2,415)	0	0	0	0	0	0	0
0	(5,500)	(1,500)	(13,361)	0	0	0	0
14,861	8,701	13,361	0	0	0	0	0
0	0	0	0	0	0	0	0
14,861	8,701	13,361	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

Less: Applied on regeneration schemes

Housing receipts - estimated balance in hand

2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
3,449	3,151	2,938	2,428	1,933	1,438	943	448
1,418	200	200	200	200	200	200	200
(135)	(220)	(235)	(220)	(220)	(220)	(220)	(220)
(1,794)	(475)	(475)	(475)	(475)	(475)	(475)	(475)
2,938	2,656	2,428	1,933	1,438	943	448	(47)
0	0	0	0	0	0	0	0
2,938	2,656	2,428	1,933	1,438	943	448	(47)

Total £'000s

6.1 Estimated annual borrowing requirement

Bids for funding (net)
Total estimated borrowing requirement if all bids on Appendix 1 approved

30,096	87,714	20,192	65,701	94,462	58,145	33,012	51,774	323,286
	0	0	0	0	0	0	0	0
	87,714	20,192	65,701	94,462	58,145	33,012	51,774	323,286

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2017-18 to 2021-22: HRA APPROVED PROGRAMME

APPENDIX 9

	Project Budget	2016-17 Actual	Project Spend at 31-03-17	2017-18 Estimate	Carry Forward	Expenditure as at 18/12/2017	2017-18 Projected Outturn	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	Total Project Exp
	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
Acquisition of Land & Buildings	3,302	0	0	0	3,302		502	2,800					3,302
N10014 10 Mount Court						202							
New Build													
N30007 New Road, Gomshall	4,250	56	4,122	0		(0)	0	0	0	0	0	0	4,122
N30008 Lakeside Close, Ash	5,100	336	4,991	0		0	0	0	0	0	0	0	4,991
N30011 Guildford Park	75	25	25	0		357	0	0	0	0	0	0	25
M30012 Appletree pub site	3,200	381	424	2,400	(324)	27	300	2,476	0	0	0	0	3,200
N30013 Slyfield Green (Corporation Club)	2,448	1,853	1,853	350	350	497	500	200	0	0	0	0	2,553
N30014 Willow Way	1,000	0	0	975		438	700	300	0	0	0	0	1,000
Garage sites-	2,500	0	0	2,000	350			1,100	0	0	0	0	1,100
N30015 Pond Meadow						307	450						450
N30016 Rowan Close						360	500						500
N30017 Great Goodwin Drive						288	450						450
N30018 The Homestead	500	0	0	500		232	450	50	0	0	0	0	500
Fire Station/Ladymead	2,000	0	0	1,200			200	1,800	0	0	0	0	2,000
Bright Hill	500	0	0	500			25	475	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000	0	0	0			0	0	0	0	0	0	0
Schemes to promote Home-Ownership													
Equity Share Re-purchases	annual	0	annual	400		0	400						annual
Major Repairs & Improvements													
Retentions & minor carry forwards	annual	0	annual	30		0	30						annual
Kitchens & Bathrooms	annual	793	annual	1,350		9	950						annual
Doors and Windows	annual	245	annual	400		178	402						annual
Structural	annual	1,102	annual	850	370	217	740						annual
Energy efficiency: Central heating	annual	779	annual	650	199	794	1,079						annual
General	annual	924	annual	1,220	132	590	1,418						annual
Grants													
Cash Incentive Scheme	annual	0	annual	75		0	75						annual
TOTAL APPROVED SCHEMES	25,875	6,496	11,416	12,900	4,379	4,494	9,172	9,201	0	0	0	0	24,695

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Chief Finance Officer

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Date: 18 January 2018

Capital and investment strategy (2018-19 to 2021-22)

Executive Summary

This report is the Council's capital and investment strategy, the capital strategy being a new requirement under the revised CIPFA Prudential Code 2018. The report incorporates the position of the current capital programme and the new capital proposals for the period 2018-19 to 2021-22, and the Treasury Management Annual Strategy Report for 2018-19. These have been presented as separate reports in previous years, but are now being presented together linking investment both in terms of treasury management and assets. The aim is to avoid duplication between the reports, and to strengthen the link between capital spending and the treasury management function.

CIPFA have also revised the Code of Practice on Treasury Management ('TM Code'), alongside the revision to the Prudential Code.

Due to the timing of CIPFA producing the codes, they have acknowledged that the 2018-19 report will be a year of transition, and that full adoption may not be possible until 2019-20. Officers have prepared this report based on CIPFA's indication of the likely content, and councillors are to be made aware that there could be further changes in future years.

Key changes to the Prudential and TM Codes are:

- development of a capital strategy (linking both the codes)
- high level context setting and strategy with key indicators
- confirms the codes applies to all investments (treasury and non-treasury)
- non treasury investments need to be discussed separately in the report
- recognition that for non-treasury investments the principle of placing security and liquidity above yield may not be appropriate in all cases but decisions should be explicit
- delegation of detail, if appropriate, but responsibility remains with full Council
- coverage of group and combined authorities

- encouragement of local indicators - to include HRA indicators
- change in some Prudential Indicators
- requirement for the CFO to report on risks, but flexibility over timing and how they are reported
- designations under the Markets in Financial Instruments Directive (MiFID II)

The Department for Communities and Local Government (DCLG) have also revised their Investment Guidance (last revised in March 2010) and the MRP Guidance (last revised in 2012). The 2010 Guidance was very focused on investments in financial institutions, and as authorities are now increasingly investing in non-financial assets, they need to be brought into the scope of the Guidance. The Guidance retains the requirement for an Investment Strategy to be prepared at least annually (see section 4 of Appendix 1) and approved by Full Council.

At the time of writing the report, the guidance was still out to consultation, key changes will be highlighted once the final guidance has been published.

The Council has a duty under the Local Government Act 2003 to have regard to both the CIPFA Codes and the DCLG Guidance.

In April 2017, the Money Markets Committee (a sub-committee of the Bank of England) published the UK Money Markets Code, which outlines basic market procedures and good practice, for the execution of transactions in the deposit markets, and applies to all UK Market participants, whether or not they are financially regulated, which includes local authorities. CIPFA recommends the UK Money Markets Code to its members as good practice to which they should adhere.

Capital strategy

The aim is to demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Council also needs to demonstrate that it sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

The capital strategy is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

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 programme

The Council has a current underlying need to borrow for the General Fund Capital Programme of £323 million. Officers have put forward bids, with a net cost to the Council of £96 million, increasing the underlying need to borrow to £419 million should these proposals be approved for inclusion in the programme.

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.

All projects will be funded by general fund capital receipts, grants and contributions, reserves and finally borrowing. We do not currently know how each scheme will be funded and, in the case of development projects, what the delivery model will be – this budget report, and the capital strategy, shows a high-level position. The capital programme includes a number of significant regeneration schemes, which we have assumed will be financed from the General Fund. However, subject to detailed design of the schemes, there may be scope to fund them from HRA resources rather than General Fund resources in due course. Detailed funding proposals for each scheme will be considered when the Outline Business Case for each scheme is presented to Executive for approval.

Appendices 2 and 3 contain details of the new bids submitted, including the impact of proposed capital expenditure on Council Tax. Appendices 4 to 8 show the position and profiling of the current capital programme (2017-18 to 2021-22) and Appendix 9 the capital vision schemes.

Corporate Management Team (CMT) evaluated each bid, and the Joint Executive Advisory Board Budget Task Group (JEABBTG) have reviewed all bids being submitted as part of this report.

The key areas of growth include:

- A331 hotspots (previously on the capital vision)
- VAT on the crematorium project
- Roads and footpaths

This report also includes the Council's Minimum Revenue Provision (MRP) policy and the Prudential Indicators. The details are in section 6 of the main report. The estimated budget for MRP for 2018-19 to 2020-21 is:

- 2018-19: £1.2 million
- 2019-20: £1.8 million
- 2020-21: £3.3 million

The revised Prudential Code 2017, states that the setting of the capital expenditure estimates, operational boundary and authorised limit should be approved by the same body that approves the budget – therefore full Council as in previous years. However, it allows for other indicators to be delegated to a committee or sub-committee of full Council, although full Council retains overall responsibility. Officers present this report to the Joint Executive Advisory Board, and Corporate Governance and Standards Committee before the Executive and then full Council. In year monitoring is also presented to Corporate Governance and Standards Committee, and therefore believe that there is adequate scrutiny of the other indicators without the need to change the process.

Treasury Management

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

The CIPFA definition is "the management of the organisation's 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"

Officers carry out the treasury management function within the parameters set by the Council each year in the Treasury Management Strategy Statement (now the capital and investment strategy), included at Appendix 1, and in accordance with the approved treasury management practices (TMPs) (shown in Appendix 11).

The Council considers security, liquidity and yield when making treasury investment decisions, across the portfolio as a whole. The security of the portfolio is the security of our capital, ensuring we get our money back. Liquidity is second to security, ensuring we can get our money, or access to cash, when we need it. Once we are comfortable with both the security and liquidity of the investment in line with a balanced portfolio, we review the return on the investment.

We have defined our minimum credit rating for high quality investment for specified investments as A- for a counterparty. The credit ratings are explained in Appendix 14.

The Government believes that the principal of security, liquidity and yield applies to both financial and non-financial investments.

DCLG proposed guidance (currently out for consultation and is subject to change) has a definition for non-financial assets:

- Security – consideration as to whether the underlying asset is impaired and, if it is, to detail the actions planned or in progress to protect the funds invested
- Liquidity – procedures for ensuring that funds invested in a non-financial asset can be accessed when needed

The Council is in a good financial position, and has a strong asset base. We have an ambitious Corporate Plan and medium to long-term aspirations within the Borough, but we hold a good level of reserves. We will always maintain a certain level of reserves in order to ensure the Council provides services to its residents.

The budget for investment income in 2018-19 is £1.6 million, based on an average investment portfolio of £115 million, at an average rate of 1.63%. The budget for debt interest paid is £6.3 million, of which £5.1 million relates to the HRA.

Non-financial investments

The Council is now required to include details of its non-treasury investments in the annual investment strategy. This includes asset management, investment properties, investments in subsidiary companies and information on the Council's commercialisation and transformation programmes.

This report was considered by the Joint Executive Advisory Board on 8 January 2018 and its recommendations are set out in paragraph 9.1 of this report. The report will also be considered by the Executive on 23 January and Council on 7 February 2018. The Corporate Governance and Standards Committee is asked to comment on the following recommendations:

Recommendation to Executive

The Executive is asked to agree the following:

- (1) That the new capital proposals listed as items 23 to 29, in Appendix 2 to this report be added to the General Fund Capital Programme approved list, to be funded by reserves, and that the relevant officer be authorised to implement the schemes.
- (2) That the new capital proposal listed as items 1 to 22, in Appendix 2 to this report, be added to the General Fund Capital Programme provisional list, and that these schemes, subject to the limits in Financial Procedure Rules, be subject to a further report to the Executive, before being progressed
- (3) That the revenue implications of the new capital schemes referred to in paragraphs (1) and (2) above be implemented in the relevant years stated in the bids.
- (4) That the affordability limit for schemes to be funded by borrowing be set as per Appendix 1 para 3.65.

Recommendation to Council:

The Executive also is asked to recommend to Council:

- (1) That the General Fund capital estimates, as shown in Appendices 4 and 5 (current approved and provisional schemes, and as amended to include such bids as may be approved by the Executive at its meeting on 23 January 2018, Appendix 6 (schemes funded from reserves) and Appendix 7 (s106 schemes), be approved.
- (2) That the Minimum Revenue Provision policy, referred to in Section 6 of this report, be approved.
- (3) That the Capital and Investment strategy be approved, specifically the Investment strategy and Prudential Indicators contained in Appendix 1.
- (4) That the Treasury Management Practices be approved with delegation of future changes to the practices to the Chief Finance Officer, contained in Appendix 11.

Reasons for Recommendation:

- To enable the Council to approve the capital and investment strategy and the treasury and prudential indicators for 2018-19 to 2022-23
- To enable the Council, at its budget meeting on 7 February 2018, to approve the funding required for the new capital investment proposals.

1. Purpose of Report

- 1.1 The Local Government Act 2003 requires the Council to have regard to the CIPFA Treasury Management Code of Practice ("TM Code"), and specifically the

Prudential Code when determining how much it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable. The Prudential Indicators required by the Prudential Code are designed to support and record local decision making in a manner that is publicly accountable.

- 1.2 The Prudential Code now requires the Council to produce a capital strategy. The purpose of the capital strategy is to describe how the investment of capital resources will contribute to the achievement of the Council's key objectives and priorities, and to describe the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 1.3 As such, the report also invites the Council to consider the General Fund (GF) Capital Programme, and the new schemes the Council may need or wish to undertake in the next five years.
- 1.4 The Council must put aside resources where the Council finances capital expenditure by debt (internal or external borrowing), 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). The annual MRP statement for 2018-19 is included in this report.
- 1.5 The Council must have an approved investment strategy, and the implications associated with that detailed in the capital strategy. This includes financial and non-financial assets, for example, investment property.
- 1.6 The requirement to report in accordance with the CIPFA TM Code, and the DCLG Investment Guidance is incorporated in the report. CIPFA also recommends the UK Money Markets Code to its members as good practice to which they should adhere.

2. Strategic Priorities

- 2.1 A comprehensive and well-managed capital programme supports all the fundamental themes of the Corporate Plan and the Council's strategic priorities.
- 2.2 Treasury management is a key function in enabling the Council to achieve financial excellence and value for money. This report, and the strategies within it, is designed to help the Council achieve the best use of its resources and it therefore underpins the Council's strategic framework and delivery of the Corporate Plan. We have an ambitious Corporate Plan in the period, and therefore the capital programme, plus aspirations for the longer-term and effective treasury management supports the financial sustainability of that.

3. Background

- 3.1 The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code for both capital and treasury management purposes.

- 3.2 The objectives of the Prudential Code are to ensure, within a clear framework, capital expenditure plans of local authorities are affordable, prudent and sustainable. This then ties treasury management in with the Prudential Code ensuring that treasury management decisions are taken in accordance with good professional practice and that capital investment decisions are taken once the Council has determined how much money it can afford to borrow for a capital purpose.
- 3.3 The UK Money Markets Code (April 2017) is a voluntary code of practice which CIPFA recommends authorities follow as good practice. It is endorsed by the Money Markets Committee (MMC), and has been developed to provide a common set of principles in order to promote the integrity and effective functioning of the UK money markets.
- 3.4 It applies to the following which together constitute, for the purposes of this code the UK Market:
- a) the execution of transactions in the deposits market
 - b) the repo market
 - c) securities lending transactions as transacted in the UK
- 3.5 The details of the principles in the Money Markets Code, can be found in Appendix 12.
- 3.6 To demonstrate that the Council has fulfilled these objectives, section 5 of this report details the Prudential Indicators that must be set and monitored each year.
- 3.7 The CIPFA Prudential Code, requires local authorities to determine a capital and Investment strategy, having regard to:

Capital expenditure

- an overview of the governance process for 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.

3.8 Local authorities need to have the use of sufficient capital assets to deliver their responsibilities in an efficient, effective and economic manor.

3.9 The TM Code has three key principles:

- public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities
- policies and practices should make clear that the effective management and control of risk are prime objectives of treasury management activities, and the risk appetite should be identified in the annual strategy
- acknowledgment that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for organisations to employ in support of their business and service objectives; and that within the context of effective risk management, the treasury management policies and practices should reflect this.

3.10 Within the TM Code, and specified in the Treasury Management Policy Statement (Appendix 10), officers must maintain '*suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control these activities*'. Appendix 11 contains the latest TMPs for councillors' approval and it is suggested that delegation to make further changes to the TMPs be given to the CFO, because the TMPs govern how the treasury management function will be run operationally, and Councillors approve the strategy it seems appropriate to have a distinction between approval levels.

3.11 We must put aside resources where the Council finances capital expenditure by borrowing (internal or external), to repay that debt in later years. This cost is charged to the revenue account annually and is known as Minimum Revenue Provision (MRP). The annual MRP statement for 2018-19 is included in section 6 of this report. There is not an earmarked reserve for MRP, it is represented in the balance sheet as increased cash.

3.12 Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at Appendix 16.

4. Capital programme

- 4.1 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. As such, we have an approved capital programme, and ask officers to submit bids for capital funding each year covering at least a five-year period. These bids are linked to the Corporate Plan and the Council's strategic priorities.
- 4.2 Any projects that are expected to be delivered after the five-year period, or those where a scheme has not been fully identified are placed on the Council's Capital Vision (see Appendix 9). 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. We use this information to model the long-term impact of the programme in the liability benchmark.
- 4.3 Many of the bids in the programme are development projects, and their expenditure and income profile could span beyond the five-year timeframe in the report. This report, therefore, shows a prudent capital programme. 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.
- 4.4 The Council has a current underlying need to borrow for the General Fund Capital Programme of £323 million. Officers have put forward bids, with a net cost to the Council of £96 million, increasing the underlying need to borrow to £419 million should these proposals be approved for inclusion in the programme.
- 4.5 Some capital receipts or a revenue stream 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

New capital schemes

- 4.6 We asked officers to submit capital bids as part of the service plan and business planning process to be assessed against the Council's corporate plan priorities and fundamental themes whilst having regard to our underlying need to borrow for the current capital programme.
- 4.7 Appendix 2 provides a summary of the new capital bids submitted with further information for each scheme in Appendix 3. Corporate Management Team (CMT) evaluated the bids, and those supported are included for submission to councillors. Four of the bids are, at this stage, confidential and can be found in the "Not for Publication" agenda item 8 on the Joint EAB's agenda.

- 4.8 Following this evaluation, the Joint Executive Advisory Board Budget Task Group (JEABBTG) reviewed the bids, and were broadly supportive with queries to be answered by officers. It is anticipated to provide the answers to these at the meeting.
- 4.9 Appendix 2 includes new schemes submitted with a net cost of £96 million, after taking into account estimated third party contributions, financing from specific reserves and any bids currently in the capital programme. If councillors decide to progress any of these schemes, we will add them to the current capital programmes, which are attached as Appendices 5 to 7.
- 4.10 There is an underlying need to borrow to meet the current GF capital programme of £323 million for 2017-18 to 2021-22 (excluding the new bids detailed in this report). The revised underlying need to borrow after taking account of the new bids is £419 million.
- 4.11 For planning purposes, we have currently assumed we will borrow internally for all schemes, but in doing so are projecting a need to borrow externally (see para 5.11). The most economically advantageous method of financing (use of available capital resources, external borrowing or leasing) will be determined in the year(s) in which we incur the expenditure. This is part of the day-to-day treasury management activity of the Council and depends on the resource available.
- 4.12 It is important to include schemes in the provisional programme so the Council can 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 when they may be progressed.
- 4.13 Officers have a capital vision that will incorporate long-term schemes identified in documents such as the Corporate Plan, SCC Local Transport Plan, the Council's Regeneration Strategy, Local Plan and the emerging Infrastructure Delivery Plan. This will enable us to model the potential financial impact of these schemes, and be aware of the schemes that are likely to be brought forward onto the GF capital programme in the future.

Current approved and provisional GF capital programme (Appendices 4 and 5)

- 4.14 A copy of the current GF capital programme is attached at Appendices 4 and 5, together with a schedule of the latest position of the resource availability for, and financing of, the programme, shown in Appendix 8.
- 4.15 The revised estimate for 2017-18 shows the original approved estimate plus any unspent approved expenditure in 2016-17 now planned for 2017-18 and any amendments or additions to the schemes approved during the course of the year.
- 4.16 Appendix 8 shows the current estimated borrowing requirement for schemes on the GF capital programme is £323 million at as November 2017.

GF reserve schemes capital programme (Appendix 6)

- 4.17 The Council holds some reserves that we earmark for use by specific reserves. The capital projects that we finance from these reserves are identified separately from the main programme and are shown in Appendix 6.
- 4.18 The major items include car parks and ICT renewals.
- 4.19 The ICT renewals fund has been in place for many years, is well managed, and supports many projects. Business cases are submitted during the year, to the ICT Manager, and projects are then prioritised.

S106 financed capital expenditure (Appendix 7)

- 4.20 The schemes to be financed from s106 contributions are shown in Appendix 7. These schemes are not progressed until the s106 receipt is in hand.

Financing and resources

- 4.21 The actual financing of each year's capital programme is determined in the year in question as part of the preparation of the Council's statutory accounts.
- 4.22 If we do not finance the expenditure from existing resources, for example capital receipts or reserves, it will create a borrowing requirement. If we take out physical loans to meet that borrowing requirement (replacing cash we have spent), then external borrowing is in place. If there are no physical loans then the Council has internal borrowing. This means that we are using cash relating to items in the balance sheet in the interim for capital funding purposes.
- 4.23 All projections are based on the current estimates for schemes and level of resource availability. If costs increase, and/or additional capital resources are received, the methods of financing and the level of borrowing required will vary accordingly.
- 4.24 Officers calculate the interest estimates (both investment and borrowing interest) according to planned capital expenditure. We make an assumption around actual expenditure of 50% of the provisional programme in the finance year. This also feeds into the MRP calculations, and the liability benchmark. We have introduced this change to ensure we are not being over prudent in our budgeting.

5. Prudential Indicators

- 5.1 The Local Government Act 2003 requires the Council to have regard to the Prudential Code when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that:
- the capital expenditure plans of local authorities are affordable, prudent and sustainable
 - treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved

- how these risks will be managed to levels that are acceptable to the organisation
- capital investment decisions are taken once the Council has determined how much money it can afford to borrow for a capital purpose

5.2 The Prudential Code covers all capital expenditure and investment decisions and should take into account all potential long-term liabilities relevant to the authority. This includes the consideration of investments and liabilities of subsidiary companies.

5.3 The responsibility for decision-making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including Prudential Indicators, remains with full Council. However, officers present the report to the Joint EAB, and Corporate Governance and Standards Committee before the Executive and full Council, enabling a broad range of Councillor scrutiny. Monitoring is undertaken by the Corporate Governance and Standards Committee regularly throughout the year.

5.4 To demonstrate we have fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

5.5 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.

Estimates of capital expenditure

5.6 This indicator is a summary of the Council's GF capital programme, and financing of the programme is summarised below:

CAPITAL EXPENDITURE SUMMARY	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Approved £000	Outturn £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
General Fund Capital Expenditure							
- Main Programme	45,916	26,627	39,140	23,129	5,220	5,220	0
- Provisional schemes	51,850	2,773	43,460	83,003	66,970	45,762	51,774
- Schemes funded by reserves	1,573	3,316	2,302	537	537	0	0
- S106 Projects	440	602	0	0	0	0	0
- Affordable Housing (General Fund)	220	0	0	0	0	0	0
- New Bids (net cost)	0	0	7,125	47,994	35,105	400	5,550
Total Expenditure	99,999	33,318	92,027	154,663	107,832	51,382	57,324
Financed by :							
Capital Receipts	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Capital Grants/Contributions	(3,982)	(3,432)	(1,221)	(2,250)	(4,750)	(1,750)	0
Capital Reserves/Revenue	(7,973)	(9,371)	(13,980)	(757)	(757)	(220)	0
Borrowing	(87,714)	(20,192)	(72,826)	(142,456)	(93,250)	(33,412)	(57,324)
Financing - Totals	(99,999)	(33,318)	(92,027)	(154,663)	(107,832)	(51,382)	(57,324)
Housing Revenue Account Capital Expenditure							
Total Expenditure	21,970	9,172	21,186	25,145	11,475	5,975	6,975
Financed by :							
- Capital Receipts	(4,974)	(1,623)	(5,113)	(6,151)	(2,050)	(400)	(700)
- Capital Reserves/Revenue	(16,996)	(7,548)	(16,073)	(18,994)	(9,425)	(5,575)	(6,275)
Financing - Totals	(21,970)	(9,172)	(21,186)	(25,145)	(11,475)	(5,975)	(6,975)

5.7 Initially we will finance capital expenditure from our own resources. If we do not have enough resources to finance all the planned expenditure, there will be an

increase in the underlying need to borrow, and therefore the Capital Financing Requirement (CFR).

- 5.8 The table shows the majority of our capital expenditure will be financed from borrowing because we have used our capital receipts and capital reserves.

Estimates of CFR and Gross debt as shown against the CFR

- 5.9 The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and the following two years.
- 5.10 The CFR measures the Council's underlying need to borrow for a capital purpose, and is the historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources.
- 5.11 Any estimated capital expenditure in the table above which is shown to be funded from borrowing, will also increase the CFR.

Guildford Borough Council							
Balance Sheet Summary and Projections in £000 - last updated 16 Dec 2017							
31st March:	2017	2018	2019	2020	2021	2022	2023
Loans Capital Financing Req.	266,839	290,457	359,883	504,151	594,693	625,464	665,297
Less: External Borrowing	(233,355)	(225,125)	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)
Internal (Over) Borrowing	33,484	65,332	166,988	311,486	402,258	478,029	517,862
Less: Usable Reserves	(141,824)	(131,385)	(118,258)	(110,742)	(114,089)	(120,542)	(123,430)
Less: Working Capital Surplus	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)
(Investments) / New Borrowing	(126,986)	(84,699)	30,084	182,098	269,523	338,841	375,786
Net Borrowing Requirement	106,369	140,426	222,979	374,763	461,958	486,276	523,221
Preferred Year-end Position	20,000	25,000	25,000	25,000	25,000	25,000	25,000
Liability Benchmark	126,369	165,426	247,979	399,763	486,958	511,276	548,221

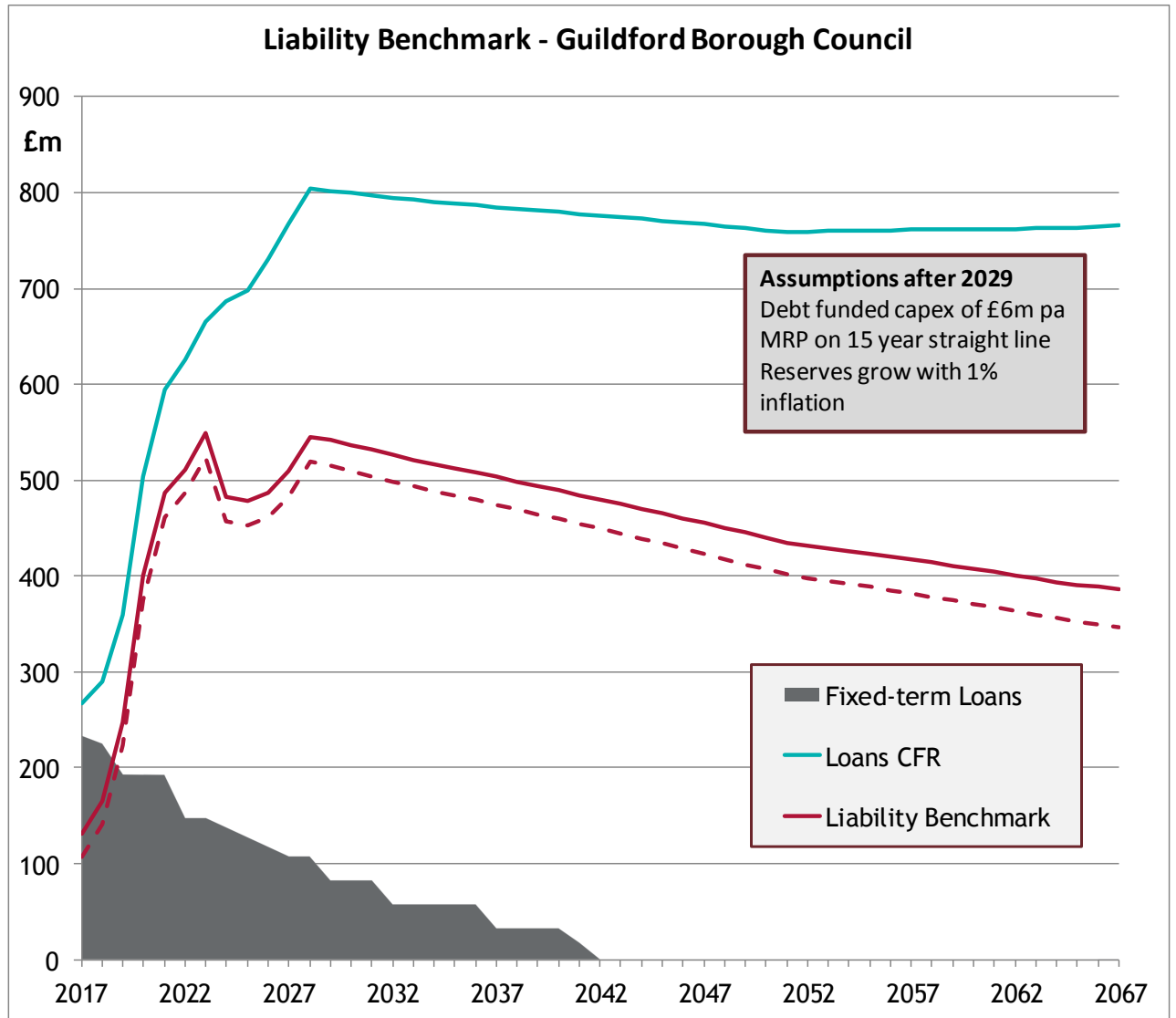
Housing Revenue Account - Summary and Projections in £000							
HRA Loans CFR	196,664	196,664	197,024	197,024	197,024	197,024	197,024
HRA Reserves	(102,019)	(96,033)	(84,571)	(76,623)	(80,187)	(85,499)	(90,495)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(193,355)	(193,125)	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)
HRA Cash Balance	(98,710)	(92,494)	(80,442)	(72,264)	(75,598)	(35,910)	(40,906)

General Fund - Summary and Projections in £000							
31st March:	2017	2018	2019	2020	2021	2022	2023
GF Loans CFR	70,175	93,793	162,859	307,127	397,669	428,440	468,273
GF Reserves	(39,805)	(35,352)	(33,687)	(34,119)	(33,902)	(35,043)	(32,935)
GF Working Capital	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)
GF Borrowing	(40,000)	(32,000)	0	0	0	0	0
GF Cash Balance	(28,276)	7,795	110,526	254,362	345,121	374,751	416,692

- 5.12 The GF CFR is forecast to increase by £374.5 million over the period, as capital expenditure financed by borrowing is greater than resources put aside for debt repayment.

- 5.13 The Council is required to pay off an element of the accumulated GF capital expenditure each year through a charge to the revenue account called the Minimum Revenue Provision (MRP), although we can also make a Voluntary Revenue Provision (VRP) if we so wish.

- 5.14 Gross debt against the CFR is a key indicator of prudence. The aim is to ensure that debt does not, except in the short-term, exceed the total of the CFR in the previous year plus the estimates of any additional CFR for the current and next two financial years. This is to ensure long-term debt is only for a capital purpose.
- 5.15 The table above shows that debt is expected to remain below the CFR during the period show.
- 5.16 The liability benchmark shown in graphical form is:



- 5.17 The difference between the liability benchmark (solid red line) and the red dotted line is our minimum liquidity requirement of £25 million. This graph clearly shows that while the CFR is stable, based on future assumptions, the liability benchmark is reducing in line with assumed increases in reserves and MRP payments.

Operational boundary for external debt

- 5.18 The operational boundary is a monitoring indicator that shows the most likely (i.e. prudent), but not worst-case estimate for external debt, for the years shown. It directly links to the Council's capital expenditure plans, the CFR and cash-flow requirements. It is a key management tool for in-year monitoring. Other long-term liabilities include finance leases, Private Finance Initiatives and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary of External Debt	2017-18 Approved £000	2017-18 Revised £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Borrowing - General Fund	252,616	167,856	312,126	402,666	433,436	473,276	494,456
Borrowing - HRA	197,024	197,024	197,024	197,024	197,024	197,024	197,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	475,640	390,880	535,150	625,690	656,460	696,300	717,480

- 5.19 The table represents the current debt portfolio and a maximum amount of assumed temporary borrowing that may be required in the year. It is not a limit of total borrowing for the Council.
- 5.20 It is calculated by taking the estimated CFR plus an allowance for headroom for cash movements. The HRA operational boundary is limited to the HRA debt cap, and £26 million is included for purchases that could be classes as finance leases.

Authorised limit for external debt

- 5.21 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003, and is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for any unusual cash movements.

Authorised Limit for External Debt	2017-18 Approved £000	2017-18 Revised £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Borrowing - General Fund	302,816	212,456	368,526	463,166	499,536	530,376	566,556
Borrowing - HRA	197,024	197,024	197,024	197,024	197,024	197,024	197,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	525,840	435,480	591,550	686,190	722,560	753,400	789,580

- 5.22 The GF authorised debt level gives headroom for significant cash flow movements, over the operational boundary, for example if we do not receive Council Tax on the correct day. The HRA limit is set at the debt cap imposed by the Government.
- 5.23 We are required to set a limit for other long-term liabilities, for example finance leases. £26 million has been included in the authorised limit for purchases that could be classed as finance leases.
- 5.24 Officers monitor the authorised limit on a daily basis against all external items on the balance sheet (long and short-term borrowing, overdrawn bank balances and long-term liabilities).

Ratio of financing costs to net revenue stream

- 5.25 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.
- 5.26 The net revenue stream is the amounts received from government grants and local taxpayers, and on an actual basis the taxation and non-specific grant income part of the comprehensive income and expenditure statement.
- 5.27 Where the figures are negative, it means that interest receivable is higher than interest payable.

	2017-18 Approved	2017-18 Outturn	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
General Fund	9.16%	-0.96%	10.61%	24.76%	31.88%	59.20%	64.50%
HRA	30.13%	32.86%	33.09%	33.73%	33.97%	33.59%	33.41%

- 5.28 The GF outturn for 2017-18 is lower than estimate because investment income is anticipated to be higher than budgeted due to more cash than expected in the year, and interest paid on borrowing lower due to slippage in the capital programme and anticipated long-term loans were not taken out. The 2018-19 estimate is higher than the 2017-18 outturn rate because of the increasing MRP and reducing cash balances. The large increase from 2019-20 relates to an increase in the MRP budget and a large increase in interest payable on external borrowing – a direct result of the increasing capital expenditure.
- 5.29 The HRA indicator is reducing slightly because of the reducing debt interest costs as one of the Council’s loans is being repaid, and interest on HRA reserves is increasing in line with expected balances in reserves.

6. Annual Minimum Revenue Provision (MRP) Statement 2017-18

- 6.1 Where the Council finances capital expenditure by debt (internal or external borrowing), the CFR will increase and we must put aside resources to repay that debt in later years, known as MRP.
- 6.2 The Local Government Act 2003 requires the Council to have regard to the DCLG’s Guidance on MRP most recently issued in 2012 and revised in 2018.
- 6.3 The DCLG Guidance aims to ensure that debt, from capital expenditure, is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 6.4 The DCLG Guidance is currently out for consultation. To avoid making assumptions around the outcome of the consultation, if the Council needs to revise its MRP policy, it will do so as part of the Treasury Management Annual Report presented to Council in July 2018.

- 6.5 It also requires the Council to approve an annual MRP statement and recommends a number of options for calculating a prudent MRP.
- 6.6 Unfinanced capital expenditure incurred in 2017-18 will not be subject to an MRP charge until 2018-19, or if the scheme is not complete, when the asset is operational.
- 6.7 MRP only applies to the GF. There is no requirement to make an MRP charge on the HRA.
- 6.8 Based on the Council's estimate of its CFR on 31 March 2018, and unfinanced capital expenditure in 2017-18 of £24.1 million, the budget for MRP for 2018-19 has been set at £1.2 million.
- 6.9 We base the future projections on the capital programme spending profile. Based on the current approved capital programme, and the new bids submitted as part of this report, we anticipate MRP to be:
- £1.2 million in 2019-20
 - £1.8 million in 2020-21
 - £3.2 million in 2021-22
 - £6.6 million in 2022-23
- 6.10 Profiling of capital expenditure is key in determining the impact of MRP on the revenue account.

MRP Policy

- 6.11 The Council will use the asset life method as its main method of applying MRP, but will use the annuity method for investment property.
- 6.12 Where appropriate, for example in relation to capital expenditure on development, we may use an annuity method starting in the year after the asset becomes operational.
- 6.13 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 (as long as 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.
- 6.14 Where expenditure on schemes are pending receipt of an alternative source of finance (for example capital receipts), we will not charge MRP.
- 6.15 The MRP guidance recommends a life of 50-years for freehold land. However, we feel that as land often has an infinite economic life, charging MRP over 75 years is more realistic whilst maintaining prudence. If we were to purchase land for development purposes, we will also apply an estimated life of 75 years, which

is at least as great as it will be if a new building was placed on it. We believe that new buildings or similar structures will have an estimated life of 75 years.

- 6.16 Where loans are made to other bodies for their capital expenditure, no MRP will be charged, where the other body is making principal repayments of that loan as well as interest. However, the capital receipts generated by the loan principal repayments on those loans will be put aside to reduce the CFR.
- 6.17 For investments in shares classed as capital expenditure, we will apply a life related to the underlying asset the share capital has been invested in.
- 6.18 For assets acquired by finance leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 6.19 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.
- 6.20 Estimated life periods will be determined under delegated powers to the Chief Finance Officer. Officers will use information from the Council's valuer to determine asset lives as part of the annual valuation exercise for investment property, and will use the estimated life for other assets as stipulated by the valuer or relevant expert for depreciation purposes. As a general rule, the asset life for MRP will be matched to the life used for depreciation purposes.

7. Treasury Management

- 7.1 The CIPFA definition of treasury management is

“the management of the organisation’s borrowing, investments¹ 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”

- 7.2 Overall responsibility for treasury management remains with the Council. Treasury management activity involves risk. The effective identification and management of risks are integral to the Council's treasury management objectives, as is ensuring that borrowing activity is prudent, affordable and sustainable.
- 7.3 The strategy takes into account the impact of the Council's revenue budget and capital programme on the balance sheet position, the current and projected treasury position, the investment strategy and treasury and prudential indicators' (Appendix 1) and the outlook for interest rates (Appendix 13).

¹ Investments cover all the financial assets of the organisation, as well as other non-financial assets, which the Council holds primarily for financial returns, such as investment property portfolios. This could include investments not managed as part of the treasury management function. All investments require an appropriate investment management and risk management framework under the TM code.

7.4 The key changes to the strategy from last year are:

- incorporation of the capital programme reports with the treasury management strategy to create a Capital and Investment Strategy.
- removal of the prudential indicator – impact on council tax decisions (in line with the proposed new CIPFA code)
- inclusion of more local indicators
- inclusion of the Treasury Management Practices (TMPs) for approval by Councillors

Credit rating

7.5 The Council's credit rating with Moody's credit rating agency is Aa2 (see Appendix 14 for credit rating definitions). Having a rating gives us the flexibility and greater access to a range of funding such as capital markets, which will enable us to borrow for capital projects elsewhere other than the Public Works Loans Board (PWLB) at possibly cheaper rates.

7.6 The credit rating also acts as an independent financial review of the Council. It is a good way of assessing how the Council is performing and the strength of our balance sheet.

7.7 Moody's undertake an official annual review of our credit rating. Ours is due for renewal in March 2018. We are anticipating renewing our rating in 2018.

Commercial activity

7.8 The Council has a transformation programme and commercialisation work stream. Work on these areas will continue to be progressed and will be reported to Councillors.

7.9 The Council is not intending on purchasing investment property purely for financial gain, instead has budgets in the capital programme for strategic property purchases, which may generate a financial return, in relation to its regeneration plans in line with the Corporate Plan.

7.10 Where the Council has investment property, the performance is reviewed regularly and a report presented to councillors annually.

Other long-term liabilities

7.11 This includes liabilities, which are outstanding under credit arrangements, and are separate to external borrowing, and is required to be included in the Prudential Indicators.

7.12 On the face of the Council's balance sheet there is £93 million of other long-term liabilities, which relate wholly to the pension reserve and is therefore excluded from this definition related to treasury management.

7.13 Whilst the Council does not have any at present, we include £26 million in the Prudential Indicators as a budget for leasing.

Knowledge and Skills

- 7.14 We assess training requirements for the Council's treasury management staff throughout the year, and additionally when the responsibilities of individual members of staff change.
- 7.15 Staff regularly attend training courses, seminars and conferences provided by Arlingclose, CIPFA and other appropriate bodies. Relevant staff are encouraged to study professional qualifications from CIPFA, the association of Corporate Treasurers and other appropriate organisations.
- 7.16 Day-to-day treasury staff, the CFO, the Director of Resources, the Managing Director, the Lead Councillor for Finance and Asset Management, and the Chairman of the Corporate Governance and Standards Committee attend the quarterly strategy meetings with Arlingclose. This involves an economic update as well as discussions around the Council's balances, and investment and borrowing strategies and opportunities.
- 7.17 The Lead Councillor for Finance and Asset Management, along with the senior officers of the Council, are briefed and updated on treasury management matters as and when required.
- 7.18 Councillors undertake training as and when required, for example when there is a change in committee membership, and on an ad-hoc basis when appropriate. This may be formal training undertaken by Arlingclose, or bite sized sessions from officers.
- 7.19 Under the new MiFID regulations, in order for the Council to be able 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.
- 7.20 A central register has been set up to record which officers and councillors have attended training. Councillor training records are held by Democratic Services, and officer training in financial services.

Risks

Capital programme

- 7.21 Officers submit bids with a proposed timeframe for the project to be completed. This is put into the capital programme and feeds into the liability benchmark (to determine when 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).

- 7.22 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 needed to. All these are a cost to the revenue budget.
- 7.23 Officers are working 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 profile to ensure the most realistic position is presented in the revenue budget.
- 7.24 Slippage in the capital programme could also mean costs are higher than originally budgeted because of price inflation, and changing market conditions.

Treasury management risks

- 7.25 Overall responsibility for treasury management remains with the Council. Treasury management activity involves risk. The effective identification and management of risks are integral to the Council's treasury management objectives.
- 7.26 Treasury management activity needs to be managed to maximise investment income and reduce debt interest whilst maintaining the Council's exposure to risk. Treasury risk cannot be eliminated; it needs to be managed, and the management is discussed throughout the capital and investment strategy, in Appendix 1.
- 7.27 There are a number of key risks which are discussed in more detail in the Treasury Management Practices (TMPs) (Appendix 11), and are discussed in the Council's Statement of Accounts.
- 7.28 Inflation risk 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.

Bail in and Ringfencing risk

- 7.29 Councillors will be aware of bail in, and the implications for the Council. The next stage of that process, is bank ring-fencing. From January 2019, the largest UK Banks will be required to separate their retail banking services to individuals and small businesses from their investment banking activities. Banks with less than £25 billion in Financial Services Compensation Scheme covered retail deposits are exempt, or those that only undertake retail banking, so will only affect Barclays, Lloyds, HSBC and RBS. It is expected, however, that the banks will have implemented the changes during 2018, and it will therefore impact on the timeframe of this strategy.
- 7.30 In general terms, the probability of a bail-in is smaller at a retail bank, but the loss incurred would likely be larger. This is because retail banks will typically have

more capital to protect against losses, but fewer wholesale deposits and senior unsecured bonds to share losses with.

- 7.31 Each bank will have a different procedure, and we could be put in the retail bank of one bank, and an investment bank of another. The splits are not yet certain, and we cannot choose.
- 7.32 Because the banks are being split, this will mean some name changes – yet to be determined. In addition, credit rating agencies are starting to take account of banks' ringfencing in their ratings. In general, they expect to give the ringfenced "retail" bank a higher credit rating than the non-ringfenced "investment" bank.
- 7.33 An investment made now, could be transferred into a new bank with a different credit rating within the next year. This risk has been reflected in the operational duration limits recommended by Arlingclose during 2017-18. They will review the position again in early 2018, and could reduce the duration further if there are concerns about the uncertainty of the bank's ringfencing plans.

Risks relating to non-financial assets

- 7.34 There are some key identifiable risks of investing in property.
- 7.35 A downturn in the property market could lead to falling rents or higher vacancies meaning that rental income may not cover the borrowing costs.
- 7.36 In addition, a downturn could lead to a fall in property values which could impact capital receipts if the Council wanted to sell the property to use the receipt for other purposes.
- 7.37 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.
- 7.38 The Government could intervene to set limits on the commercialisation strategies available to local authorities. CIPFA and the DCLG in their consultations have included non-treasury investments into their guidance which includes monitoring of investment properties and investments in subsidiaries, ensures councils are fully aware of the risks involved and also asks councils to review the proportionality of this type of investments against other income the Council receives to highlight the reliance on commercial income. As mentioned earlier, the DCLG Guidance is still out to consultation and could change the emphasis from what is included in this report.
- 7.39 The Council is required to review training and expertise in relation to non-treasury investments and provide information on how this expertise will be gained and what due diligence will be undertaken.
- 7.40 The Council is not anticipating on purchasing any investment property purely for rental income returns. The aim is now more focussed on strategic purchases (for which a rental income may be received) to aid regeneration in the borough.

8. Consultations

- 8.1 The new capital bids have been reviewed by the JEABBTG, and their comments are set out in Appendix 15.
- 8.2 The Lead Councillor for Finance and Asset Management supports the recommendations in this report.

9. Joint Executive Advisory Board comment

- 9.1 The Joint EAB considered this report at its meeting on 8 January 2018 and its recommendations are as follows:
 - (1) That, in respect of Bid No 268 – Student Accommodation Investment, the Joint EAB recommends:
 - (a) that the Business Case be submitted to the Borough EAB for further discussion prior to its consideration by the Executive; and
 - (b) that, following consideration by the Executive, the Business Case be referred to Full Council for final approval before the project is transferred from the provisional to the approved capital programme.
 - (2) That, in respect of Bid No 177 – Feasibility Study into Decking of Millbrook Car Park & Implementation, the Joint EAB recommends:
 - (a) that the revenue bid for the feasibility study be approved, and
 - (b) that the outcome of the feasibility study, and proposals for construction be referred to the Borough EAB for further consideration, prior to the project being approved for transfer from the provisional to the approved capital programme.
 - (3) That, in respect of Bid No 211 – Parks & Countryside Roads, Paths & Car Parks, the Joint EAB recommends that, for aesthetic reasons, consideration be given to the use of an alternative to tarmac as a resurfacing material, for example, stone chippings.

10. Equality and Diversity Implications

- 10.1 There are no equality and diversity implications

11. Financial Implications

- 11.1 The financial implications are covered throughout the report, and in the Appendices. The Prudential Code, introduced in 2004, includes a number of recommendations regarding capital expenditure, particularly where we are considering prudential borrowing as a method of funding. The Prudential Code requires us to consider the affordability and prudence of capital decision making. In order to ensure long-term affordability, decisions have also to be prudent and sustainable in the long-term. We are therefore required to assess the impact of each project in terms of its effect on the Council's budget and council tax.

- 11.2 Interest earnings are an important source of revenue for the Council and the interest costs of our external debt is currently a big part of the Housing Revenue Account (HRA) budget, and projected to be a significant cost to the General Fund (GF) in future years.
- 11.3 It is important we manage our treasury management activity to maximise our investment income and reduce our debt interest, whilst maintaining our exposure to risk and maintaining appropriate liquidity to meet our needs.
- 11.4 The budget for investment income in 2018-19 is £1.625 million, based on an average investment portfolio of £115 million, at a weighted average rate of 1.63%. The budget for debt interest paid is £6.03 million, of which £5.13 million relates to the HRA. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.
- 11.5 The MRP budget is £1.2 million in 2018-19.

12. Legal Implications

- 12.1 A variety of 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 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. The HRA debt cap is the only restriction that applied in 2017-18.
 - 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 issued 'Investment Guidance' to structure and regulate the Council's investment activities. The emphasis of the guidance is on the security and liquidity of investments
 - Localism Act 2011
- 12.2 The Council has a statutory requirement under the 2003 Act to adopt the CIPFA Prudential Code and produce prudential indicators. A requirement of the prudential code is the adoption of the CIPFA treasury management policy statement (revision agreed by Council on 9 February 2012), and further revision

as a result of the 2018 revised Prudential and TM Codes to be agreed as part of this report.

13. Human Resource Implications

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

14. Summary of Options

14.1 Officers have detailed the options within each new capital bid.

14.2 The DCLG Guidance and the CIPFA TM Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer, having consulted with the Lead Councillor for Finance and Asset Management, believes that the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies, with their financial and risk management implications are:

Alternative	Impact on Income and Expenditure	Impact on risk management
Invest in a narrower range of counterparties and / or shorter times	Interest income will be lower	Reduced risk of losses from credit related defaults, but any such losses may be larger
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 larger
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 costs 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 likely 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

15. Conclusion

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

- 15.2 If all schemes proceed, within the timescales indicated, there will be an underlying need to borrow of £337 million by 31 March 2023.
- 15.3 The information included in this report, and the Appendices, shows the Council has adopted the principles of best practice and complied with relevant statute, guidance and accounting standards.

16. Background Papers

None

17. Appendices

- Appendix 1: Capital and investment strategy
- Appendix 2: Schedule of new GF capital bids for 2018-19 to 2022-23
- Appendix 3: Details of each proposal listed in Appendix 2
- Appendix 4: Schedule of approved GF capital programme
- Appendix 5: Schedule of provisional GF capital programme
- Appendix 6: Schedule of reserves funded capital schemes
- Appendix 7: Schedule of s106 funded capital schemes
- Appendix 8: Summary of resources and financial implications
- Appendix 9: Capital vision
- Appendix 10: Treasury Management policy statement
- Appendix 11: Treasury management practices
- Appendix 12: Money Market Code principles
- Appendix 13: Arlingclose Economic & Interest rate forecast November 2017
- Appendix 14: Credit rating equivalents and definitions
- Appendix 15: Schedule of comments from the JEABBTG
- Appendix 16: Glossary

Capital and Investment Strategy 2018-19 to 2022-23

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 Councils need to invest in their assets, as they are the most valuable resource (termed as non-financial assets throughout the report).
- 1.3 Capital planning is about investment in assets and is, therefore, linked to asset planning. Council assets have been acquired using public money, so Councils 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.
- 1.4 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. Councils 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 Statutory requirements, the CIPFA Code of Practice for Treasury Management in the public services (the TM Code), and the CIPFA Prudential Code regulate the Council's treasury activities.
- 1.8 The Local Government Act 2003, requires local authorities to have regard to the Prudential Code. The Prudential Code, revised in 2017, requires local authorities to determine a capital strategy. The strategy is to have regard to:

Capital expenditure

- an overview of the governance process for approval and monitoring of capital expenditure
- a long-term view of capital expenditure plans

- an overview of asset management planning
- any restrictions around borrowing or funding of ongoing capital finance

Debt and borrowing and treasury management

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

Commercial activity

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

Other long-term liabilities

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

Knowledge and skills

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

- 1.9 Included in these regulations and codes of practice, we are required to set Prudential Indicators for assessing the prudence, affordability and sustainability of capital expenditure and treasury management decisions.
- 1.10 The revised Prudential Code sets the requirement to include non-treasury management investments in the investment strategy for the first time.
- 1.11 Due to the recommended content of the capital strategy, officers decided to prepare an integrated capital and investment strategy covering both the capital programme and treasury management, rather than separate reports as in previous years.
- 1.12 The following sections of the strategy outline the Council's balance sheet and treasury position, capital expenditure and treasury management.
- 1.13 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. Balance sheet and treasury position

Balance Sheet

- 2.1 The Council has a strong asset backed balance sheet:

Item	Balance at 31-3-16			Balance at 31-3-17		
	£000	£000		£000	£000	
Long-term Assets	790,120			872,338		
Short-term assets	8,196			7,664		
		798,316	85%		880,002	93%
Long-term investments	25,050			45,749		
Short-term investments	119,981			82,894		
		145,031	15%		128,643	14%
Total assets		943,347			1,008,645	
Current liabilities	(31,396)			(26,688)		
Long-term liabilities	(76,350)			(93,449)		
		(107,746)	31%		(120,137)	35%
Short-term borrowing	(34,991)			(35,461)		
Long-term borrowing	(203,355)			(198,125)		
		(238,346)	69%		(233,586)	67%
Total liabilities		(346,092)			(353,723)	
Net assets		597,255			654,922	

2.2 The summary balance sheets shows that investments make up only 15% of the Council's assets, and the largest proportion of our liabilities is long-term borrowing, which is predominately HRA debt.

Financial Stability/sustainability

2.3 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 more risky the company 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.

	2015-16 Actual (£000)	2016-17 Actual (£000)	2017-18 Estimate (£000)	2018-19 Estimate (£000)	2019-20 Estimate (£000)	2020-21 Estimate (£000)	2021-22 Estimate (£000)
Total debts	346,092	353,723	424,349	570,447	664,272	701,684	748,996
Total assets	943,347	1,008,645	1,098,472	1,256,777	1,365,184	1,420,566	1,467,878
Debt Ratio %	37%	35%	39%	45%	49%	49%	51%

2.4 This shows that our gearing is low, which is because of our strong asset base.

2.5 Future years estimates are based on adding the budgeted cost of capital investment onto the assets, and adding the assumed debt funded expenditure to the debt figure to give an idea how the financial stability of the Council will be evolving.

- 2.6 The Local Government Association (LGA) use a number of financial indicators to assess the financial sustainability of Council's as part of their financial diagnostic tool. Amongst the indicators reviewed are:-
- (a) Total debt as a % of long term assets (this differs slightly from the Gearing ratio) - total debt can pose both short term liquidity risk and long term cash pressures, therefore the lower the relative debt the lower the risk to the authority
 - (b) Ratio of equity by net revenue expenditure - If an authority has a low level of net assets (equity) this may be because it has a low level of assets, a high level of liabilities or both. This indicator differentiates those authorities which have a relatively higher level of liabilities to fund and limited assets from which to do so, making additional financing costs likely in the years ahead
 - (c) Unringfenced reserves as a % net revenue expenditure - The higher the relative value of the unringfenced reserves the more sustainable an authority is
 - (d) Working capital as a % of the net revenue expenditure - Authorities with a strongly positive indicator would have less difficulty liquidating sufficient assets to operate in the event of a short term debt problem
 - (e) Short term liability pressure: Short term liabilities as a % of total liabilities - Short term liability poses an immediate pressure on liquidity, the lower the figure, the relatively lower exposure to short term liabilities
 - (f) Total investments as a % of net revenue expenditure - The more investments relative to the net revenue expenditure more sustainable and stable and authority's financial position.
 - (g) Investment property as a % of the net revenue - A higher total value of investment property indicates more opportunity to raise income. However, return on investment can vary depending on the type of investment and an investment strategy. The higher the relative value of investment property the more opportunity an authority has for financial stability
- 2.7 The Council proposes to monitor these indicators (as local indicators) and projections for how they will change over time during the medium term financial plan as part of the capital strategy.

Treasury position

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

	March 17 Actual £'000	Nov 17 position £'000
Investments		
<u>Managed in-house</u>		
Call Accounts	475	0
Notice Accounts - UK	13,000	13,000
Money Market Funds	1,319	4,062
Temporary Fixed Deposits	34,000	42,000
Long term Fixed Deposits	16,500	16,500
Certificates of Deposit	2,000	3,000
Unsecured bonds	6,824	8,502
Covered Bonds	27,736	33,829
Revolving credit facility	2,500	2,500
Total investments managed in-house	104,354	123,393
<u>Pooled Funds</u>		
Total pooled funds investments	22,563	22,321
Total Investments	126,917	145,715
Borrowing		
Temporary borrowing	30,000	44,000
Long-term borrowing (PWLb)	193,355	193,240
Long-term borrowing (LAs)	10,000	5,000
Total borrowing	233,355	242,240
Net investments / (borrowing)	(106,438)	(96,525)

2.9 The table shows the position at the start of the financial year (included in the balance sheet), and the position at the end of November 2017 (the latest position). Investments balances are higher, because of temporary borrowing related to expenditure on the capital programme. The net borrowing position has decreased since March 2017 by £9.9 million because investment balances have risen by more than borrowing.

3. Capital Expenditure

- 3.1 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.
- 3.2 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. There is, therefore, a number of processes in place to ensure the capital programme is approved and monitored with good governance.
- 3.3 The Council has the following parts to its capital programme:
- Capital vision
 - Approved programme
 - Provisional programme
 - Reserves funded programme
 - S106 funded programme

- 3.4 The Council splits the schemes into development and non-development (ie those that must be done to keep our fixed assets in an acceptable condition). This enables 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.
- 3.5 The capital programme covers a 5-10 year period, with more emphasis on the first five years.
- 3.6 Any projects that are expected to be delivered after the five-years, or those where the scheme has not 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.
- 3.7 Many of the bids in the capital programme are development projects, and their expenditure and income profile could 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.
- 3.8 The Council maintains a provisional programme to be able to produce a realistic five-year programme, and include the financial implications in the outline budget. It also gives Councillors an indication as to what schemes are being investigated, and an indication as to when these schemes may be progressed.
- 3.9 The proposed financing of the capital programme assumes available resources will be used in the following order
 - a) capital receipts from the sale of assets
 - b) capital grants and contributions
 - c) earmarked reserves
 - d) the general fund capital schemes reserve
 - e) revenue contributions
 - f) internal borrowing
 - g) external borrowing
- 3.10 The actual financing of each years capital programme is determined in the year in question, as part of the preparation of the Council's statutory accounts.
- 3.11 Capital expenditure is split between General Fund (GF) (incorporating non-HRA housing) and HRA Housing. This strategy focusses on the GF capital programme. The HRA produces its 30-year business plan that is approved by Council in February each year, shown in a separate report.

- 3.12 Our current approved capital programme, revised in year for updates in the programme, for the period is as follows:

CAPITAL EXPENDITURE SUMMARY	2017-18 Approved £000	2017-18 Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
General Fund Capital Expenditure							
- Main Programme	45,916	30,627	35,140	23,129	5,220	5,220	0
- Provisional schemes	51,850	2,773	45,260	86,645	67,545	49,762	41,762
- Schemes funded by reserves	1,573	3,316	2,302	537	537	0	0
- S106 Projects	440	602	0	0	0	0	0
- Affordable Housing (General Fund)	220	0	0	0	0	0	0
Total Expenditure	99,999	37,318	82,702	110,311	73,302	54,982	41,762
<u>Financed by :</u>							
Capital Receipts	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Capital Grants/Contributions	(3,982)	(3,432)	(1,221)	(2,250)	(4,750)	(1,750)	0
Capital Reserves/Revenue	(7,973)	(9,371)	(13,980)	(757)	(757)	(220)	0
Borrowing	(87,714)	(24,192)	(63,501)	(98,104)	(58,720)	(37,012)	(41,762)
Financing - Totals	(99,999)	(37,318)	(82,702)	(110,311)	(73,302)	(54,982)	(41,762)
Housing Revenue Account Capital Expenditure							
Total Expenditure	21,970	9,172	18,386	25,145	11,475	5,975	6,975
<u>Financed by :</u>							
- Capital Receipts	(4,974)	(1,623)	(4,273)	(6,151)	(2,050)	(400)	(700)
- Capital Reserves/Revenue	(16,996)	(7,548)	(14,113)	(18,994)	(9,425)	(5,575)	(6,275)
Financing - Totals	(21,970)	(9,172)	(18,386)	(25,145)	(11,475)	(5,975)	(6,975)

- 3.13 The programme has slipped significantly in 2017-18 – estimated expenditure on the GF of £100 million, has been reduced to £37 million. The majority of this relates to expenditure on regeneration schemes and has been moved into later years.

Housing

- 3.14 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.
- 3.15 Where direct development is concerned, we normally account for site preparation and feasibility costs in the GF programme, but construction costs, most enabling works and other costs incurred after planning approval are accounted for in the HRA capital programme. This is because we bear preparation costs regardless of who builds the structure.

GF Housing - Affordable housing

- 3.16 We are continuing with our ambitious programme of directly providing new housing, and we are looking to provide housing for market sale as well as affordable housing.
- 3.17 Government policy has recently changed once again the HCA have confirmed that there is now grant available for Affordable Rented housing. It

has also been suggested that grant will be available for social rent, although the Government has not yet confirmed whether this would be properties let at the traditional target rent/council rent levels. Nonetheless, indications are that we could apply for higher grant levels which would allow us to keep rents at a more affordable level, particularly if Guildford is designated as an area of high demand/value. As per the policy agreed in previous years, we have designed our schemes to HCA standards to enable us to submit bids where appropriate. The Government has also announced we can apply to have the HRA borrowing cap raised for specific schemes. This presents another funding option, once we have spent all Right to Buy receipts and sums received via s106 planning obligations.

- 3.18 The focus is currently on council direct development because housing association partners are having difficulty finding sites in the Borough which are viable to develop entirely for affordable housing.
- 3.19 The Council will require some resources to enable scheme preparation for development of some Council owned sites. These costs include:
- valuations
 - decommissioning costs
 - home loss and disturbance payments
 - other costs relating to the rehousing of tenants
 - architectural services
 - planning fees
 - legal fees
 - survey fees
- 3.20 We may also provide grant funding to housing associations to assist development viability or fund enabling works. We have been asked to consider two schemes, and we are waiting for further details from the housing associations to demonstrate that the funding is required to make the schemes viable. We are in the process of agreeing a loan towards the purchase of a shared ownership property via the HOLD (Home Ownership for people with Long term Disability) which is run by Advance UK housing association. This will be an equity investment, repayable when the shared owner sells the property. We may also wish to pursue opportunities to bring empty homes back into use via refurbishment or redevelopment. Estimates for grant funding and enabling of both Council and housing association developments are included in the overall figures outlined in Appendix 4.

GF Housing - Private sector housing

- 3.21 The Council's housing strategy and the GF capital programme seek to integrate national and local policies to deliver improvements to the quality of housing accommodation in the private section through:
- an appropriate housing renewal policy
 - appropriate use of housing enforcement legislation
 - continued development of partnership working

- 3.22 The principal responsibility for maintenance and improvement of privately owned dwelling rests with the owners; however, the Council will intervene where it is necessary to:
- exercise statutory powers in respect of hazardous conditions in dwellings
 - bring long-term empty homes back into occupation
 - licence houses in multi occupation
 - improve conditions in privately rented accommodation
 - offer financial assistance for the repair, improvement or adaptation of private dwellings in appropriate circumstances
 - promote energy efficiency measures and take up of renewable energy sources
 - provide assistance to elderly people and other vulnerable households through the care and repair service
 - administer Disabled Facilities Grants (DFG)
- 3.23 The funding in the capital programme provides the financial resource to meet the demand for mandatory DFGs and a discretionary scheme of assistance for homeowners, which has regard to local housing conditions.
- 3.24 The emphasis in the discretionary policy is to direct support to residents on low income living in poor housing conditions or promoting a more sustainable environment. More specifically the current discretionary targets assistance towards:
- assisting lower income households needing to make homes decent
 - bring empty homes back into use
 - installing energy efficient measures particularly solid wall insulation for park homes
 - domestic renewable energy such as solar heating
- 3.25 There are specific conditions attached to the approvals of grants or loans that will ensure a substantial proportion of the funds provided will be repaid in future years.
- 3.26 Alongside the grant scheme, we offer a range of loans in partnership with Parity Trust, a social lender. These loans may be interest only or repayment.

New capital schemes

- 3.27 As the implementation of a capital strategy is a new requirement, we have taken the opportunity to update our processes, recommended for approval as part of this report.
- 3.28 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 for the capital vision.

- 3.29 Each project will require a business case, in line with guidance set out in the HM Treasury Green book ('Green book'). Officers are proposing this is followed for projects and spending proposals as follows:-
- Projects up to £200,000 – a simple business justification case will be required to justify the spending proposal
 - Projects over £200,000 - will require a 3-stage business case consisting of:
 - a strategic outline case (ie, 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
- 3.30 The Council only has a limited amount of resources, and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Council's objectives. The proposed criteria is:
- a) Each project must meet one of the five spending objectives:
 - a. Economy (Invest to Save, ie to reduce cost of services)
 - b. Efficiency (ie to improve throughput and unit costs)
 - c. Effectiveness (improving outcomes for the community)
 - d. Retendering to replace elements of existing service and
 - e. statutory or regulatory compliance (ie H&S)
 - b) Each scheme must be scored 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 a cost benefit analysis detailing the Net Present Value calculation (NPV) of both cashflows and quantifiable economic benefits, payback period, 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 of 3.5%
 - f) The Revenue impact must be neutral or positive on the general fund for all projects except those carried out for statutory or regulatory compliance schemes
 - g) All projects should assess and score the qualitative benefits
- 3.31 The Council may set an affordability limit based on what the general fund can afford for the implications of the capital programme (primarily MRP and interest). The idea being that where there are some essential schemes that will not generate income, there is an allowance in the revenue account to accommodate the revenue impact of those.

- 3.32 It is proposed to set a scoring criteria, which will prioritise the bids before being presented to the Capital Monitoring Group (CMG), CMT and Councillors for review.
- 3.33 Bids will be submitted for initial review by the officer led Capital Monitoring Group in September. Their role will be to scrutinise the bids, and review them in line with the overall capital programme. CMT will then review the updated bids and evaluation proposed by officers, along with the financial impacts and NPV scores. Once CMT are fully supportive of the bids, they will be presented to Councillors in the JEABBTG for review and scrutiny in early December before being passed through the Committee Cycle and ultimately being approved at Full Council in February.
- 3.34 A summary of the new bids and their proposed funding is shown below. The detail can be seen in Appendix 2.

Agenda item number: 6
Appendix 1

Bid number	Project title	GROSS ESTIMATES					TOTAL COST £000
		2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000	
	General fund						
1	97 Tyting Farm Land - removal of barns and concrete hardstanding	250	0	0	0	0	250
2	111 A331 hotspots	300	2,230	1,400	0	0	3,930
3	129 Rodboro buildings - electric theatre through road and parking	450	0	0	0	0	450
4	130 Castle grounds cottage	60	0	0	0	0	60
5	139 Guildford bike share	530	0	0	0	0	530
6	145 48 Quarry St, Museum - structural works	30	220	0	0	0	250
7	151 Guildford West (Park Barn) station	150	50	0	0	0	200
8	169 Bus station relocation	300	200	0	0	0	500
9	197 Shawfield DC	83	0	0	0	0	83
10	198 SMP - electrical works	39	0	0	0	0	39
11	201 Millmead House - M&E plant renewal	33	0	0	0	0	33
12	205 Hydro private wire	85	0	0	0	0	85
13	210 Stoke Park Masterplan enabling costs	100	100	150	0	150	500
14	211 Roads & footpaths	300	400	400	400	400	1,900
15	213 Sports pavilions - replace water heaters	154	0	0	0	0	154
16	229 Millmead fish pass	0	60	0	0	0	60
17	261 Land to the rear of 39-42 castle street	10	0	0	0	0	10
18	264 Old Manor House - replacement windows	193	0	0	0	0	193
19	Crematorium VAT	1,023	669	0	0	0	1,692
20	Student Housing	3,000	45,000	33,000	0	0	81,000
21	Museum additional funding	185	180	855	0	0	1,220
22	Capital Contingency fund (annual budget)	5,000	5,000	5,000	5,000	5,000	25,000
	Total	12,275	54,109	40,805	5,400	5,550	118,139
	For reserves programme (approved prog)						
23	140 ICT renewals	2,284	527	500	500	500	4,311
24	177 Deck Millbrook Car Park	0	2,000	0	0	0	2,000
25	181 New POF equipment	15	585	0	0	0	600
26	194 Structural works to MSCP	200	100	0	0	0	300
27	200 PBDC - air source heat pump	143	0	0	0	0	143
28	207 SMP - air source heat pump	28	0	0	0	0	28
29	212 Stoke Park nursery - air source heat pump	17	0	0	0	0	17
	Total funded from reserves	2,687	3,212	500	500	500	7,399
	Gross total	14,962	57,321	41,305	5,900	6,050	125,538

Approved capital schemes

- 3.35 The Council's capital programme, has been split into two sections – the approved capital programme and the provisional capital programme. The capital bids are equivalent to the Strategic Outline Case (SOC) described in the HM Treasury Green Book.
- 3.36 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.
- 3.37 Most projects over £200,000 require a further outline business case to be prepared and approved by the Executive before a project can be moved from the provisional to the approved capital programme and authority is provided

for officers to spend on implementation of the project. Any project under £200,000 can be moved under officer delegation.

- 3.38 Capital bids are ranked against the priorities in the Corporate Plan as part of the capital bidding process before they are placed on the provisional capital programme.
- 3.39 In addition, since 2016-17 we have also split the capital programme between:
- a) 'essential schemes' - those schemes that need to be undertaken for statutory/compliance reasons are required to maintain service provision at existing levels (or prevent cost escalation) or are infrastructure schemes; and
 - b) 'investment schemes' - those schemes that are for economic growth, regeneration, redevelopment and income generation purposes.
- 3.40 Type (a) 'essential schemes' often do not have cashable savings or efficiencies associated with them, but often prevent further cost escalation of services, or in the case of infrastructure will act as a catalyst for Type (b) schemes. Essential schemes often have revenue costs associated with them, particularly if funded from borrowing.
- 3.41 Type (b) 'investment schemes' are required to provide a positive or neutral impact on the Council's general fund revenue account. It is envisaged that this is achieved by the revenue income generated by the completed scheme/project being greater than the capital financing costs on the general fund revenue account.
- 3.42 Under the financial regulations, schemes that are fully financed by s106 receipts, or grants and contributions can be added to the capital programme, where they have been approved by the relevant Lead Councillor and relevant Director in consultation with the Head of Financial Services.
- 3.43 During the year, the 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.
- 3.44 The capital programme is also reviewed by CMT and the Corporate Governance and Standards Committee as part of the budget monitoring reports for months 3, 6, 8 and 10, and then as part of the final accounts report.
- 3.45 The table below highlights the currently approved capital programme and the proposed new bids highlighted in the report and appendices.

CAPITAL EXPENDITURE SUMMARY	2017-18 Approved £000	2017-18 Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
General Fund Capital Expenditure							
- Main Programme	45,916	26,627	39,140	23,129	5,220	5,220	0
- Provisional schemes	51,850	2,773	43,460	83,003	66,970	45,762	51,774
- Schemes funded by reserves	1,573	3,316	2,302	537	537	0	0
- S106 Projects	440	602	0	0	0	0	0
- Affordable Housing (General Fund)	220	0	0	0	0	0	0
- New Bids (net cost)	0	0	7,125	47,994	35,105	400	5,550
Total Expenditure	99,999	33,318	92,027	154,663	107,832	51,382	57,324
Financed by :							
Capital Receipts	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Capital Grants/Contributions	(3,982)	(3,432)	(1,221)	(2,250)	(4,750)	(1,750)	0
Capital Reserves/Revenue	(7,973)	(9,371)	(13,980)	(757)	(757)	(220)	0
Borrowing	(87,714)	(20,192)	(72,826)	(142,456)	(93,250)	(33,412)	(57,324)
Financing - Totals	(99,999)	(33,318)	(92,027)	(154,663)	(107,832)	(51,382)	(57,324)
Housing Revenue Account Capital Expenditure							
Total Expenditure	21,970	9,172	21,186	25,145	11,475	5,975	6,975
Financed by :							
- Capital Receipts	(4,974)	(1,623)	(5,113)	(6,151)	(2,050)	(400)	(700)
- Capital Reserves/Revenue	(16,996)	(7,548)	(16,073)	(18,994)	(9,425)	(5,575)	(6,275)
Financing - Totals	(21,970)	(9,172)	(21,186)	(25,145)	(11,475)	(5,975)	(6,975)

Borrowing strategy

- 3.46 Our primary objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should our long-term plans change is a secondary option, but is still a consideration.
- 3.47 The Council can borrow short-term for cash flow purposes and long-term for funding the capital programme, which is linked to the Capital Financing Requirement (CFR)
- Capital financing requirement (CFR)*
- 3.48 With the current treasury position, and future capital expenditure plans known, we can prepare a table of the extent of our need to borrow for capital purposes, and what we have borrowed, compared to our level (and projected level) of reserves. We split this between the GF and the HRA.
- 3.49 The CFR measures the Council's underlying need to borrow for a capital purpose. This is derived from unfinanced capital expenditure which arises when there are no capital receipts or reserves available to fund the capital programme. This then increases the CFR.
- 3.50 The Council's investments consist of usable reserves and working capital and are the underlying resources available for investment. In the table below, we are also showing a minimum investment balance of £25 million. It represents the minimum level of cash / investments we will always maintain to cover the Council's cash movements, at any point in time.

- 3.51 The differential between the CFR and the level of reserves is the Council's overall external borrowing need. Where the external borrowing amount is lower than the CFR it means we have internally borrowed and used non-capital receipts and reserves to initially finance capital expenditure (i.e. the Council's cash). The reserves currently exclude the items on the capital vision, mainly because the cost of the schemes are unknown.
- 3.52 The Prudential Code recommends that the Council's total debt (external borrowing) should be lower than its forecast CFR over the next three years – in other words, not over borrowing. The table shows the Council's internal / (over) borrowing position and shows that we are expecting to comply with this recommendation during 2018-19.

Guildford Borough Council							
Balance Sheet Summary and Projections in £000 - last updated 16 Dec 2017							
31st March:	2017	2018	2019	2020	2021	2022	2023
Loans Capital Financing Req.	266,839	290,457	359,883	504,151	594,693	625,464	665,297
Less: External Borrowing	(233,355)	(225,125)	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)
Internal (Over) Borrowing	33,484	65,332	166,988	311,486	402,258	478,029	517,862
Less: Usable Reserves	(141,824)	(131,385)	(118,258)	(110,742)	(114,089)	(120,542)	(123,430)
Less: Working Capital Surplus	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)
(Investments) / New Borrowing	(126,986)	(84,699)	30,084	182,098	269,523	338,841	375,786
Net Borrowing Requirement	106,369	140,426	222,979	374,763	461,958	486,276	523,221
Preferred Year-end Position	20,000	25,000	25,000	25,000	25,000	25,000	25,000
Liability Benchmark	126,369	165,426	247,979	399,763	486,958	511,276	548,221

Housing Revenue Account - Summary and Projections in £000							
HRA Loans CFR	196,664	196,664	197,024	197,024	197,024	197,024	197,024
HRA Reserves	(102,019)	(96,033)	(84,571)	(76,623)	(80,187)	(85,499)	(90,495)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(193,355)	(193,125)	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)
HRA Cash Balance	(98,710)	(92,494)	(80,442)	(72,264)	(75,598)	(35,910)	(40,906)

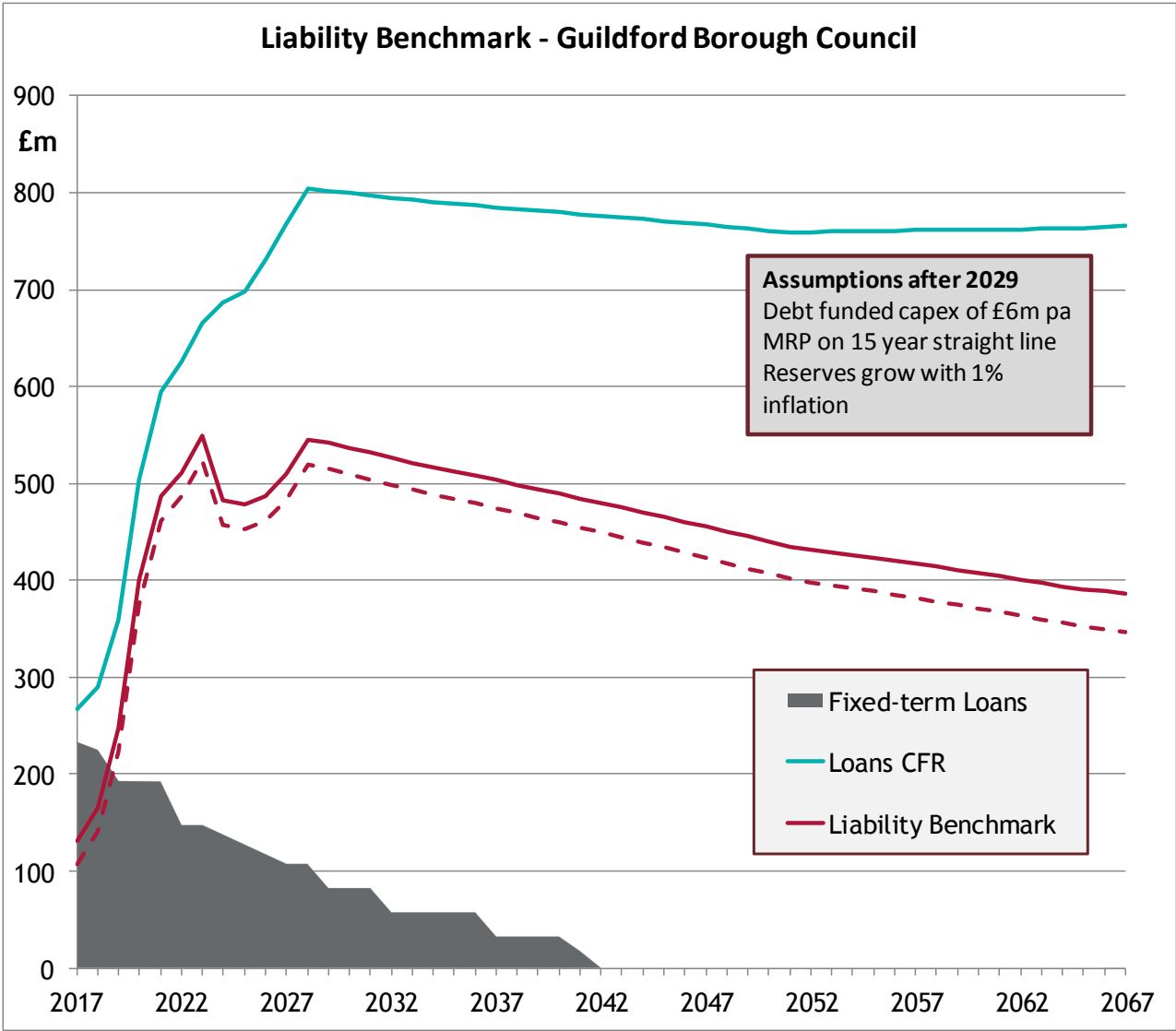
General Fund - Summary and Projections in £000							
31st March:	2016	2017	2018	2019	2020	2021	2022
GF Loans CFR	70,175	93,793	162,859	307,127	397,669	428,440	468,273
GF Reserves	(39,805)	(35,352)	(33,687)	(34,119)	(33,902)	(35,043)	(32,935)
GF Working Capital	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)	(18,646)
GF Borrowing	(40,000)	(32,000)	0	0	0	0	0
GF Cash Balance	(28,276)	7,795	110,526	254,362	345,121	374,751	416,692

- 3.53 This table shows our gross debt position against our CFR. This is one of the Prudential Indicators, and is a key indicator of prudence. This indicator aims to ensure that, over the medium-term, debt will only be for a capital purpose. We monitor this position and demonstrate prudence by ensuring that medium to long term debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years (2016-17 to 2019-20). The table above shows the liability benchmark is expected to be £548 million by March 2023.

- 3.54 The Council has an increasing CFR due to the increasing underlying 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.
- 3.55 HRA reserves are decreasing over the early part of the period because of the HRAs plan to build new social housing, whilst the HRA CFR remains the same because we are operating at our debt cap. Our priority is to build homes rather than reduce the level of debt, although moving forward the table does not include any new borrowing, which is to show the true cash position of the HRA, and, therefore, the requirement to refinance borrowing.
- 3.56 In March 2012, the HRA subsidy system changed, and we took on £194 million of debt to effectively buy ourselves out of the subsidy system. This meant that instead of paying money over to the government every year we took control of the liability and could fund the settlement how we wished. HRA debt is reducing slightly due to the Equal Instalments of Principal (EIP) loan we hold. The remaining debt is on a maturity repayment profile (principal repayment at the end of the term).
- 3.57 GF reserves are projected to remain stable (our core cash). The CFR is increasing sharply due to the proposed capital programme. We are projecting a small need to borrow for the GF in 2017-18, and indeed for the Council as a whole for 2018-19, based on the profile of the capital programme. We have taken out short-term loans in the year to cover cash flow.
- 3.58 Working capital is the net debtors and creditors we have at the end of the financial year, and will vary during the year. If we owe more money to creditors than we are owed by debtors, the working capital is a negative figure (as in the table above).
- 3.59 We will not automatically borrow externally 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 of the Council as a whole.
- 3.60 We can consider a number of options, alongside externalising our internal borrowing, including internally borrowing from the HRA or transferring loans from the HRA (both of which depend on HRA reserve availability, which is directly related to the HRA capital programme, level of external borrowing and annual revenue surplus).
- 3.61 To assist with the long-term treasury management strategy, the Council and its advisors, have created a liability benchmark. This forecasts our need to borrow over the longer term. Following on from the medium term forecasts in the table above, the benchmark assumes:
- an allowance for currently known capital expenditure, until 2022-23 and then an assumed level of additional annual capital expenditure moving forward of £6 million per annum for general capital bids, plus

anticipated capital programme and capital vision items where the costs and timings can be estimated

- minimum revenue provision (MRP) has been allowed for based on the underlying need to borrow for the GF capital programme until 2022-23, and then projected forward based on the assumed level of capital expenditure with MRP over 15 years repayment period
- income, expenditure and reserves are updated until 2029-30, based on estimated income and expenditure and then projected forward by using 1% inflation adjustment each year to allow for transfers to reserves each year



3.62 The liability benchmark (the solid red line in the graph) shows our net debt position (the minimum amount of borrowing we would need to have zero investments). If the liability benchmark line rises above the amount of loans we have (the shaded area), we need to borrow externally and no longer have

any internal borrowing capacity. Within the liability benchmark figure, we are assuming we will hold a minimum level of cash investments of £25 million at any point in time moving forward, to cover our cash flows.

- 3.63 The loans CFR (the blue line in the graph) is continuing to increase in line with the assumptions made around capital expenditure being financed from borrowing.
- 3.64 Given the significant cuts to public expenditure and in particular local government funding, our borrowing strategy continues to focus on affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective, in the short-term, to use internal borrowing or to borrow short-term loans instead. We will, however, continuously review all borrowing options available to us and assess their suitability.
- 3.65 The assessment of affordability relates to the revenue impact (MRP and interest) of the capital programme on the GF and HRA revenue accounts. The ratio of financing costs to net revenue stream is therefore a key indicator of affordability. The Council proposes to set a local limit on the maximum increase in financing costs on the GF revenue account each year to £5 per Band D property, which is the maximum amount by which the Council can raise its Band D Council tax. The impact will be that there will be a limit on the number of Essential capital schemes (ie, those schemes that need to be undertaken for statutory/compliance reasons are required to maintain service provision at existing levels, or prevent cost escalation, or are infrastructure schemes) which the Council can support each year from internal or external borrowing. Based on an average asset life of 25 years for MRP purposes, the limit for Essential capital scheme expenditure to be funded by borrowing for each financial year in the capital programme will be as follows:-

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Affordable increase in GF revenue financing costs	£285,400	£286,800	£290,200	£293,700	£296,800
Maximum Essential GF capital scheme expenditure to be funded by borrowing	£7.1 million	£7.2 million	£7.3 million	£7.3 million	£7.4 million

- 3.66 The above limit does not apply to Investment capital schemes (ie, those which will be undertaken for economic growth, regeneration, redevelopment and income generation purposes) as the schemes are defined as those which are anticipated to have a neutral or positive impact on the GF revenue account. This means that the annual savings or additional income achieved

from a Investment capital scheme is greater than its financing costs over a range of scenarios and the scheme will generate a positive benefit to the financial sustainability of the Council. The approval of these schemes will be made on a case by case basis following submission of an outline business case.

- 3.67 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.
- 3.68 By doing this, we are able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 3.69 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.
- 3.70 We will continue to monitor our internal borrowing position against the potential of incurring additional interest costs if we defer externalising borrowing into the future when long-term borrowing costs are forecast to rise modestly. Arlingclose will assist us with this 'cost of carry' and breakeven analysis in line with our capital spending plans. Its output may determine whether we borrow additional sums at long-term fixed rates in 2018-19 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.71 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).
- 3.72 We may also arrange forward starting loans during 2018-19, where the interest rate is fixed in advance, but the cash is received in later years. This would enable cost certainty to be achieved without suffering a cost of carry in the intervening period.
- 3.73 We may continue to borrow short-term for cash flow purposes.

Sources of borrowing

- 3.74 We will consider, but are not limited to, the following long and short-term borrowing sources:
- Public Works Loans Board (PWLB) and any successor body
 - any institution approved for investments (see section 4.22)
 - UK local authorities
 - any other bank or building societies authorised to operate in the UK
 - UK public and private sector pension funds (other than the local pension fund)

- capital market bond investors
- UK Municipal Bond Agency plc and other special purpose companies created to enable local authority bond issues (see paragraph xx)
- European Investment Bank (EIB)

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

- operating and finance leases
- hire purchase
- private finance initiative
- sale and leaseback

3.76 The Council has previously raised the majority of long-term loans from the PWLB, but we will continue to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

Municipal Bond Agency (MBA)

3.77 UK Municipal Bond Agency Plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons.

- (1) borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason
- (2) there will be a lead in time of several months between committing to borrow and knowing the interest rate payable

3.78 Any decision to borrow from the agency will, therefore, be subject to a further report to Councillors.

Debt rescheduling

3.79 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 could replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk, and where we have enough money in reserves to fund the repayment.

Operational Boundary for external debt

3.80 This is a monitoring indicator that shows the most likely (prudent by not worst case) scenario for external debt. It directly links to our capital expenditure plans, the CFR and cash-flow requirements. It is a key management tool for in-year monitoring. Other long-term liabilities include finance leases, private finance initiatives and other long-term liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary of External Debt	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Approved £000	Revised £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
Borrowing - General Fund	252,616	167,856	312,126	402,666	433,436	473,276	494,456
Borrowing - HRA	197,024	197,024	197,024	197,024	197,024	197,024	197,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	475,640	390,880	535,150	625,690	656,460	696,300	717,480

- 3.81 The total represents the current debt portfolio and a maximum amount of temporary borrowing that may be required in the year. It is not a limit of total borrowing for the Council. It is calculated by taking the estimated CFR plus an allowance of headroom for cash movements. The HRA operational boundary is limited to the HRA debt cap set by the Government.

Authorised limit for external debt

- 3.82 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003, and is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for any unusual cash movements.

Authorised Limit for External Debt	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Approved £000	Revised £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
Borrowing - General Fund	302,816	212,456	368,526	463,166	499,536	530,376	566,556
Borrowing - HRA	197,024	197,024	197,024	197,024	197,024	197,024	197,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	525,840	435,480	591,550	686,190	722,560	753,400	789,580

- 3.83 The GF authorised debt level gives headroom for significant cash-flow movements, over the operational boundary, for example if we do not receive Council Tax on the correct day. The HRA limit is set at the debt cap imposed by the Government.
- 3.84 We are required to set a limit for other long-term liabilities, for example finance leases. We have included an allowance for capital expenditure that could be classed as finance leases.
- 3.85 Officers monitor the authorised limit on a daily basis against all external debt items on the balance sheet (long and short-term borrowing, overdrawn bank balances and long-term liabilities).

Capital financing requirement

- 3.86 To ensure we ultimately finance the GF CFR, we are required to make a Minimum Revenue Provision (MRP) charge to the revenue account each year. This is a real charge to the revenue account and generates the cash required to pay for capital expenditure (either by replacing the internal borrowing or repaying physical loans). There is no requirement to make an MRP charge on the HRA CFR.

- 3.87 The Government has set a debt cap for the HRA CFR. This stands at £197.025 million. As can be seen above we are operating at our debt cap so are unable to take out any more external borrowing for the HRA.

Asset Management

- 3.88 The Council has an approved comprehensive Asset Strategy and Asset Management Framework that was approved by the Executive on 20 January 2015.

4. Investment Strategy

Economic background – a summary from Arlingclose (detail in Appendix 13)

- 4.1 The Council has borrowed and invested large sums of money and is therefore exposed to financial risks, including the loss of invested funds (credit risk), the revenue effect of changing interest rates (market risk) and the risk that investment returns on investments are not keeping up with inflation (inflation risk). These risks are affected by external events. The Council's investment strategy is set in the context of the probabilities of certain events occurring, such as the likelihood of central banks raising interest rates, or of commercial banks failing.
- 4.2 Interest rates in 2018-19 will directly impact on the Council's revenue budget through interest payable on variable rates loans and new loans borrowed and the interest received on investments. The rates the Council pays on borrowing are closely linked to gilt yields, which the rate earned on investments is linked to bank lending rates, such as LIBOR.
- 4.3 The following paragraphs outline some of the external context to the investment strategy.
- 4.4 The major external influence on the Council's treasury management strategy for 2018-19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trade arrangements. There are indications that uncertainty over the future is impacting on growth. Economic growth is therefore forecast to remain sluggish throughout 2018-19.
- 4.5 High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector.
- 4.6 Bail-in legislation has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ring-fence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

- 4.7 The credit risk of making unsecured deposits has therefore increased relative to the risk of other investment options available to the Council and returns from cash deposits remain very low.
- 4.8 Arlingclose's central case is for the UK Bank Rate to remain at 0.50% during 2018-19. The Monetary Policy Committee re-emphasised that any prospective increases in the bank rate would be expected to be at a gradual pace and to a limited extent.
- 4.9 Future expectations for higher short-term interest rates are subdued and on-going decisions remain data dependent and negotiations on exiting the EU cast a shadow over monetary policy decisions. Arlingclose's central case is for gilt yields to remain broadly stable across the medium-term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

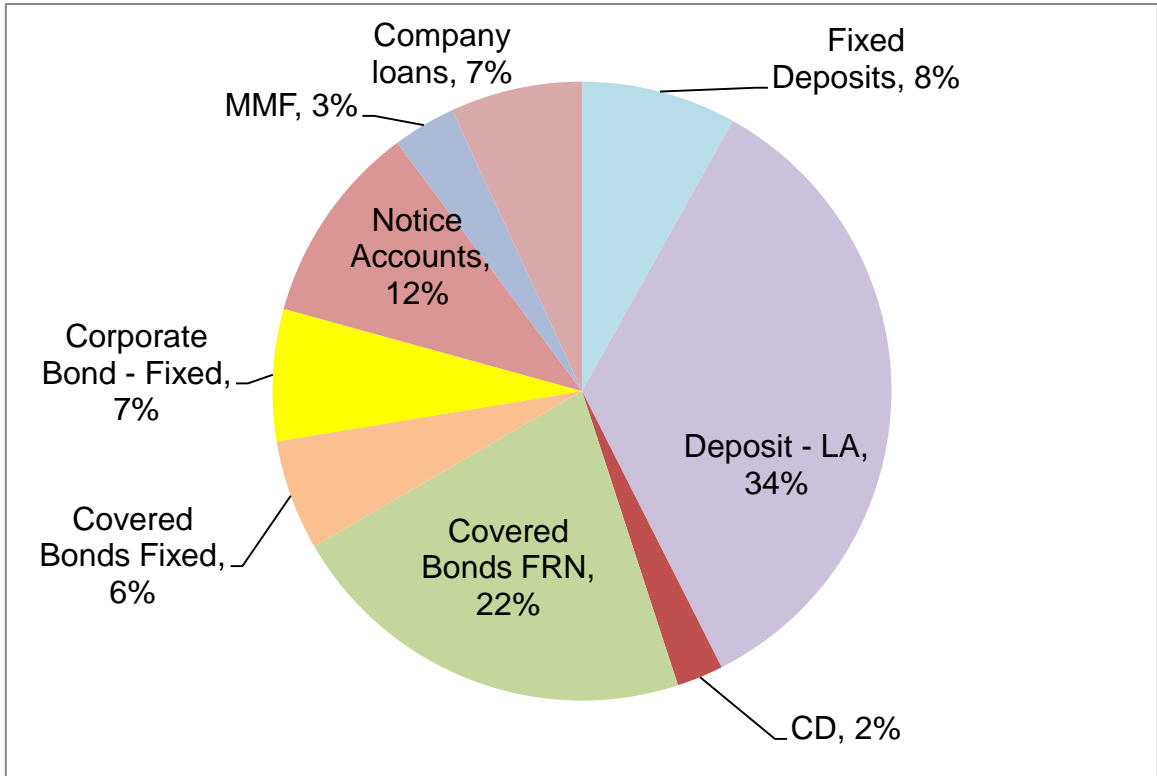
Objectives

- 4.10 Both the CIPFA TM Code and the CLG Guidance on investments, require the Council to invest its 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. The level of return should be commensurate with the level of risk.
- 4.11 Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 4.12 If the UK enters into a recession in 2018-19, there is a small chance that the Bank of England could set its bank rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

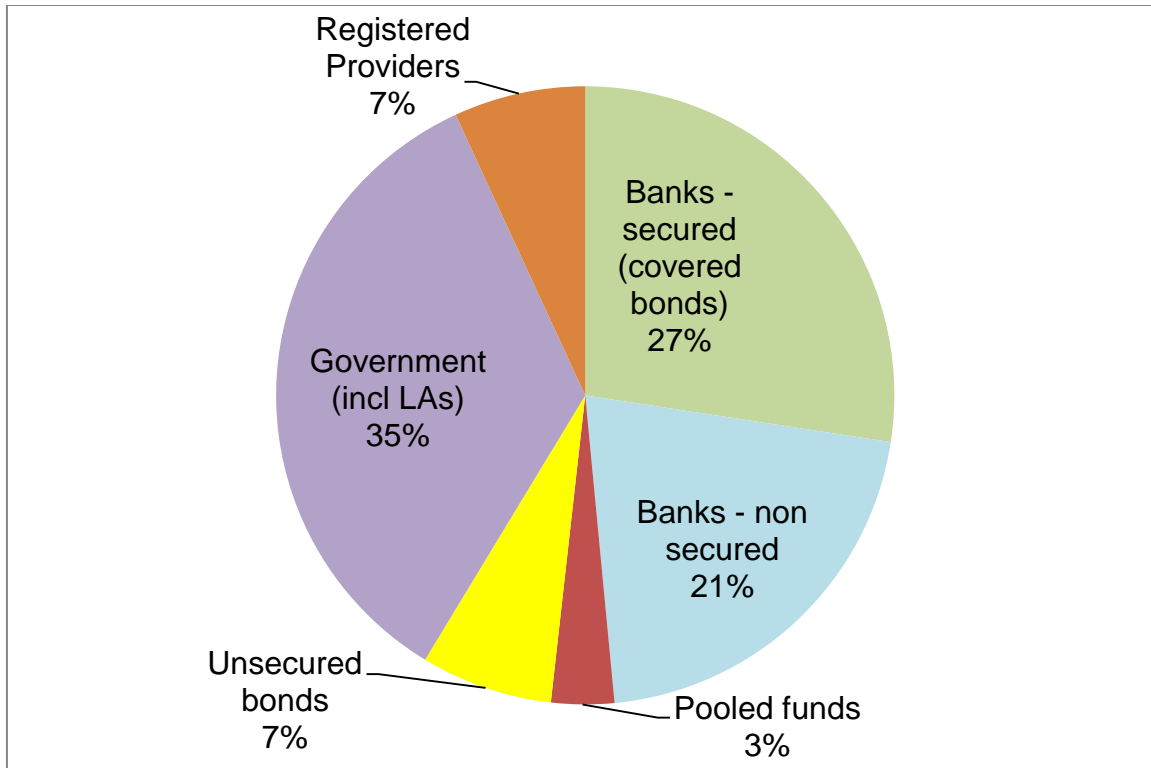
Strategy

- 4.13 Given the increasing risk (lower rated counterparties and the risk of bail-in), and very low returns from short-term unsecured bank investments, the Council aims to continue to diversify into more secure and where possible, higher yielding asset classes during 2018-19 whilst continuing to ensure adequate liquidity for operational purposes. This is especially the case for our longer-term investments. This diversification will represent a continuation of the new strategy adopted in 2015-16.

- 4.14 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.
- 4.15 The graph below shows how our current portfolio is diversified by type of investment. 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.



- 4.16 The graph shows how diversified our in-house investment portfolio is (excluding pooled funds). The following graph shows our in-house investment portfolio by security, and following that by credit rating:



4.17 We are required to classify investments as specified, non-specified or loans by the investment guidance issued by CLG. They are defined as:

- Specified investments: any investments that are:
 - denominated in pound sterling
 - due to be repaid within 12 months of the arrangement
 - not defined as capital expenditure by legislation
 - invested with one of the UK Government, a UK local authority, parish or community council, or a body or investment scheme of “high credit quality”
- Non-specified investments: any investment not meeting the definition of a specified investment.
- Loans

4.18 The Council defines high credit quality organisations as those having a long-term credit rating of A- or higher that are domiciled in the UK or foreign country with a long-term sovereign rating of AA or higher. Money market funds do not need to be domiciled in a country with an AA rating.

4.19 The Council will not make any investment denominated in foreign currencies, only sterling.

4.20 We may make an investment that is defined as capital expenditure by legislation, such as company shares.

Agenda item number: 6
Appendix 1

4.21 The Council may invest 100% of its surplus funds in non-specified investments (long term investments, institutions not meeting our definition of high quality, pooled funds and money market funds not meeting our definition of high credit quality, investments in institutions domiciled in foreign countries rated below AA and investments in the Council's subsidiary companies)

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

Credit Rating	Banks - unsecured	Banks - secured	Government (incl LAs)	Corporates	Registered Providers
Specified investments					
UK Government	n/a	n/a	£unlimited, 50 yrs	n/a	n/a
AAA	£6m, 5 yrs	£10m, 20 yrs	£10m, 50 yrs	£6m, 20 yrs	£6m, 20 yrs
AA+	£6m, 5 yrs	£10m, 10 yrs	£10m, 25 yrs	£6m, 10 yrs	£6m, 10 yrs
AA	£6m, 4 yrs	£10m, 5 yrs	£10m, 15 yrs	£6m, 5 yrs	£6m, 10 yrs
AA-	£6m, 3 yrs	£10m, 4 yrs	£10m, 10 yrs	£6m, 4 yrs	£6m, 10 yrs
A+	£6m, 2 yrs	£10m, 3 yrs	£6m, 5 yrs	£6m, 3 yrs	£6m, 5 yrs
A	£6m, 2 yrs	£10m, 3 yrs	£6m, 5 yrs	£6m, 2 yrs	£6m, 5 yrs
A-	£6m, 18 mths	£10m, 2 yrs	£6m, 5 yrs	£6m, 18 mths	£6m, 5 yrs
Non Specified investments					
BBB+	£4m, 1 yr	£5m, 1 yr	£4m, 2 yrs	£3m 2 yr	£3m, 2 yrs
None	£1m, 12 mths	n/a	£4m, 25 yrs	£6m, 5yrs	£6m, 5 yrs
Money Market Funds	£20m per fund				
Pooled funds	£10m per fund				

4.23 We may invest in institutions without credit ratings, or rated below A- (our defined minimum rating for high credit quality) to ensure we have diversification in our investment portfolio.

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

4.25 We currently invest in some non-rated building societies, and BBB rated corporate bonds. We need to ensure we have flexibility in our strategy to allow us to ensure an appropriate mix with the security on our portfolio.

4.26 We may invest in covered bonds for security investments to reduce our credit risk, bail in risk and inflation risk, but as these tend to be longer-term investments, we may sell them prior to the maturity date for liquidity purposes..

4.27 These limits are per counterparty and the higher level is the maximum. For example, we will not invest more than £10 million with a bank or group of banks, which can all be secured or a maximum of £6 million unsecured. We propose to allow ourselves to invest in secured investments for longer

periods than unsecured deposits. An example of a counterparty with no credit rating is a non-rated building society where we can invest £1 million per counterparty. The time limits shown are the maximum for the year, and operationally we could have a shorter duration – these are reviewed throughout the year with Arlingclose.

- 4.28 We have 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.
- 4.29 HSBC are our bankers. We do place some investments with them, but 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.
- 4.30 Credit rating: we use the lowest published long-term credit rating from Fitch, Moody's or Standard & Poors (S&P) when making investment decisions, alongside other indicators/factors and external advice. We may consult with other credit rating agencies other than the main three. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.
- 4.31 Banks unsecured: these instruments include, but are not limited to, accounts, deposits, certificated 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.
- 4.32 Banks secured: these instruments include covered bonds, reverse repurchase agreements, and other collateralised arrangements with banks and building societies. These investments are secured on the institutions assets, which limits the potential losses in the unlikely event of insolvency, and means that they 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 highest of the two will be used to determine cash and time limits. The law states that covered bonds and reverse repurchase transactions cannot be bailed in. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 4.33 Government: instruments include 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. Investments with the UK Central Government may be made in unlimited amounts for up to 50-years.
- 4.34 Corporates: the instruments include loans, bonds and commercial paper issued by companies other than banks, building societies and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will

only be made either following an external credit assessment or as part of a diversified pool or corporate investments in order to spread the risk widely.

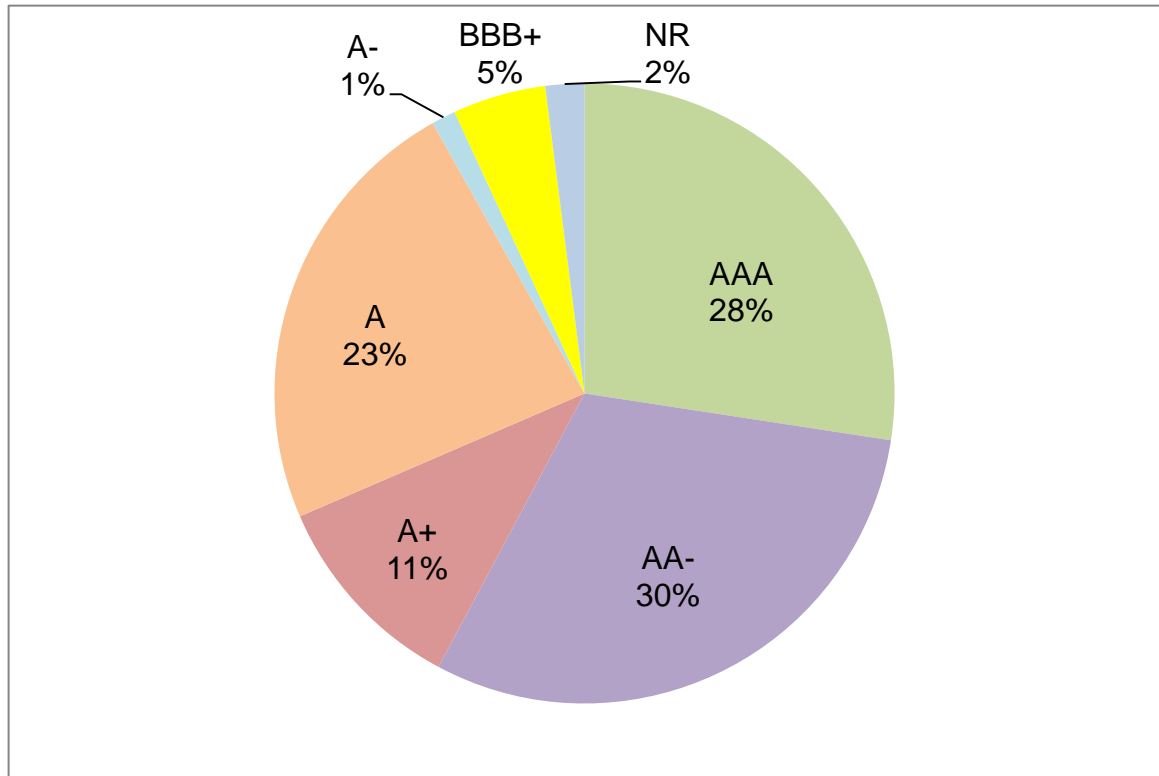
- 4.35 Registered providers: these include loans and bonds issued by, guaranteed by, or secured on the assets of registered providers for social housing, formally known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retail a likelihood of receiving government support if needed.
- 4.36 Pooled funds: these are shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property, and also money market funds. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term money market funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 4.37 Bonds, equity and property funds offer enhanced returns over the longer-term, but are more volatile in the short-term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, we will monitor their performance and continued stability in meeting the Council's investment objectives regularly.
- 4.38 To mitigate the risk of default, we will ensure that no more than 10% of available reserves will be invested in any one institution or institutions within the same group (other than the UK Government) and therefore limit the amount invested at £10 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign currency, since the risk is diversified over many countries.
- 4.39 Operational bank accounts – the Council may incur operational exposures, for example, via current accounts, collection accounts and merchant acquiring services to and 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 bail-in, and balances will therefore be kept to a minimum per bank. 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.

Treasury management risk and credit ratings

- 4.40 Arlingclose obtain and monitor credit ratings and they notify us with any changes in ratings as they occur.

- 4.41 Where an entity has its credit rating downgraded and it then 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
 - full consideration will be given to the recall or sale of all other existing investments with the affected institution
- 4.42 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so 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.
- 4.43 The Council understands that credit ratings are good, but not perfect, predictors of investment default. We will take account of other available information on the credit quality of institutions, in which we invest, including credit default swops, financial statements, information on potential government support and reports in the quality financial press.
- 4.44 We will not make investments with any organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 4.45 When deteriorating financial market conditions affect the credit worthiness of all organisations, as happened in 2008 and 2011, this is generally not reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those institutions of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.
- 4.46 The extent of these restrictions will be in line with the prevailing market conditions. If these restrictions mean that if there are insufficient commercial organisations of high credit quality to invest our cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office (DMO) or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will help protect the principal sum invested.
- 4.47 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 a A for 2018-19. The following chart shows how our current portfolio is made up – this is updated monthly



- Liquidity – we monitor our liquidity by using a 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 £25 million as our minimum liquidity requirement. We also have a monthly high-level cash flow projection over four years.

Non-financial investments

- 4.48 Although not classed as treasury management activities, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes.
- 4.49 The Council holds non-financial investments as follows:
- Investment property portfolio
 - loans to its wholly owned companies, Guildford Borough Council Holdings Ltd and North Downs housing Ltd

- 4.50 Both categories of non-financial investments are held for two purposes, (a) to generate income (yield) and (b) to meet a strategic/corporate plan priority.

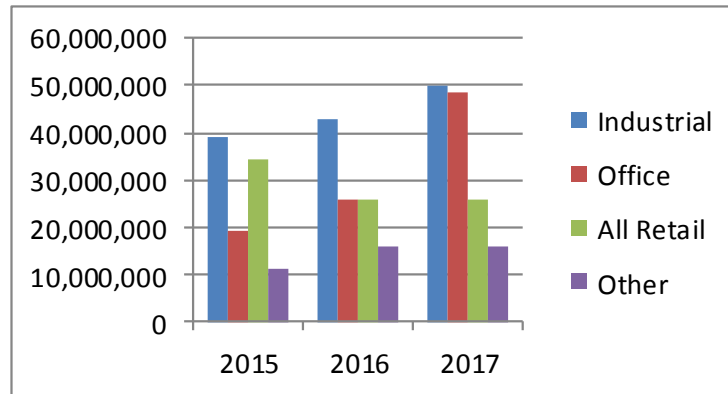
Investment property

- 4.51 The Council's Asset Strategy and Asset Management Framework, adopted by Executive on 20 January 2015, sets out the context within which investment property acquisitions are made and how property is managed. The vision for the property estate is to own, occupy or use properties that empower the Council to perform excellently in the delivery of its services and Corporate Plan themes on behalf of the borough's residents, businesses and visitors. For investment properties, the assessment is in terms of the financial return (yield) that a property provides as well as other criteria regarding the classification of the lease and the tenancy covenant.

- 4.52 The Council manages its property estate as a strategic resource as follows:

- 1) The Corporate Plan – This underpins the whole basis upon which the Council owns, occupies and uses its property estate, its purpose, function, operation and why the Council chooses to make changes as part of future planning.
- 2) Asset Strategy – This Asset Strategy underpins how the property estate will deliver the aims and objectives of the Corporate Plan stating the Council's desired outcomes of the estate, objectives and performance targets, plus an action plan to get there.
- 3) Property Review Group – This working group of officers and councillors provides active governance over property planning and decision making with a watching brief to deliver property outcomes and performance.
- 4) Asset Management Framework – This provides policies on how the Council will actively manage, review and challenge the property estate and the properties within it and whether to keep, improve, sell or transfer properties in context of wider strategic and corporate objectives.
- 5) Property Performance – the Council will report annually to the Overview and Scrutiny Committee and the Executive on performance targets, trends and external benchmarks to analyse and explain how the property estate is performing against desired outcomes and comparison with others local authorities.
- 6) Asset Development Team – This team provides in house professional property management skills. Its role is to manage and maintain the property estate, review and update property information on the Asset Manager system, act as corporate landlord on behalf of services and undertake strategic property reviews analysing data on size, use, occupancy, condition, running cost, value and so on.

- 4.53 The following graph shows how diversified our investment property portfolio is:



4.54 The following table shows the performance of the portfolio, in rental income terms, against the benchmark.

<u>Income return</u>	Industrial	Office	All Retail	Other	All
2015	8.03%	7.46%	5.60%	7.52%	6.84%
2016	7.12%	7.17%	5.59%	6.65%	6.71%
2017	6.77%	6.52%	5.60%	6.73%	6.46%
<u>Benchmark return</u>	Industrial	Office	All Retail	Other	All
2015	6.10%	4.70%	5.40%	4.70%	5.23%
2016	5.40%	4.10%	5.00%	5.50%	4.80%
2017	7.90%	3.90%	2.50%	2.50%	4.20%

Loans to Subsidiary Companies

4.55 In February 2016, the Executive approved the establishment of Guildford Borough Council Holdings (GBCH) Ltd and North Downs Housing (NDH) Ltd. The rationale and business case for setting up the companies and how they meet the Council's strategic objectives were set out in the report. NDH has been set up to deliver on the 4 objectives set out below:

- to meet in, such manner as the Company thinks fit, identified housing need and increase the provision of new housing in the Guildford borough and surrounding areas
- to generate returns for the Council's GF;
- to accelerate development of brownfield land in the Guildford borough
- to carry on any other business or do such other things which may seem to the Company capable of being conveniently carried on in connection with any of the above specified objects, or calculated to enhance the value of the Company's services, assets, property or rights.

4.56 Guildford Borough Council Holdings (GBCH) Ltd is currently dormant with the exception of its equity holding in NDH Ltd.

- 4.57 The Business Plan for NDH Ltd was approved by the Executive Shareholder and Trustee Committee in September 2017. Investment in NDH Ltd is classed as capital expenditure and forms part of the Council's approved capital programme. The Executive Shareholder and Trustee Committee monitors the performance of the company and the security of the Council's investment on an annual basis.

5. Other items

- 5.1 There are a number of additional items the Council is obliged by CIPFA and/or CLG to include in our strategy.

The Council's banker

- 5.2 HSBC Bank plc are our day to day bankers holding all our current accounts. The contract was renewed for seven years from 1 January 2017 – ending on 31 December 2024.
- 5.3 HSBC are currently rated above our minimum credit criteria. Should the credit rating fall below the minimum investment credit rating we have set, we may continue to deposit surplus cash with HSBC providing that investments can be withdrawn on the next working day, and that the bank maintains a credit rating no lower than BBB- (the lowest investment grade rating).

Policy on the use of Financial Derivatives

- 5.4 Local authorities have previously made use of financial derivative embedded into loans and investments both to reduce interest rate risk (for example interest rate collars and forward deals), and to reduce costs or increase income at the expense of greater risk (for example LOBO loans and callable deposits).
- 5.5 The general power of competence in Section 1 of the Localism Act 2011 removed much of the uncertainty over local authorities use of standalone financial derivatives (those that are not embedded into a loan or investment).
- 5.6 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of 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 the strategy, although the risk they present will be managed in line with the overall treasury risk management strategy.
- 5.7 We may arrange financial derivative transactions with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on apportioning interest to the HRA

- 5.8 The Council operates a two-pooled approach to its loans portfolio, which means we separate long-term HRA and GF loans.
- 5.9 Investment 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. We will calculate an average balance for the year and interest transferred between the GF and HRA at the Council's weighted average return on its investments, adjusted for credit risk and temporary borrowing.
- 5.10 This credit risk adjustment reflects the risk to the GF that any investment default will be a charge to the GF, even if it is HRA cash that is lost.

Training

- 5.11 We assess training requirements for the Council's treasury management staff throughout the year, and additionally when the responsibilities of individual members of staff change.
- 5.12 Staff regularly attend training courses, seminars and conferences provided by Arlingclose, CIPFA and other appropriate bodies. Relevant staff are encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.
- 5.13 Councillors undertake training as and when required, for example when there is a change in committee membership, and on an ad-hoc basis. The Lead Councillor for Finance and the Chairman of the Corporate Governance and Standards Committee attend the quarterly strategy meetings with Arlingclose, and is briefed and updated on treasury management matters as and when required.

Investment consultants / use of consultants generally

- 5.14 Arlingclose are the Council's appointed treasury management advisors, with the contract running until 31 March 2022. We receive specific advice on investments, debt and capital finance issues. We have regular contact with the advisors and hold quarterly meetings with them to discuss changes on all aspects of treasury management and specifically in relation to the changing requirements of the Council.
- 5.15 The Council has access to six brokers to gather information and place deals where it is financially advantageous compared to direct dealing, and, where we are unable to access counterparties directly. We compare the information

received with information from other service providers in the market to gauge its applicability within our strategy.

- 5.16 Where we feel we do not have the expertise in house, we will use external consultants. This could be for many reasons, and the Council currently uses this approach across all council services.

Performance monitoring

- 5.17 CIPFA advocated the principle that councils should create appropriate methods by which the performance of their treasury management activities can be measured and recommend the selection of appropriate measures and setting of benchmarks.
- 5.18 Officers monitor the treasury management activity and prudential indicators on a monthly basis. Reports are made at least annually to the Corporate Governance and Standards Committee half-yearly to full Council. Other monitoring includes:
- the Council will produce an outturn report on its treasury activity no later than 30 September after the end of the financial year
 - the Corporate Governance and Standards Committee is responsible for the scrutiny of the Council's treasury management activity and practices
 - officers prepare a monthly monitoring report which is discussed with the CFO
- 5.19 The Council sets performance indicators to assess the return against the Bank of England base rate on treasury activities over the year. These include the separate monitoring of in-house investments (both longer-term and for cash purposes) and externally managed funds.
- 5.20 We also monitor performance through benchmarking with both CIPFA and other Arlingclose clients. The Council is a member of the Surrey treasury management officers group who meet twice yearly to discuss treasury management issues and share practices.
- 5.21 Monitoring of the investment property portfolio is undertaken by the Investment Property Management Group (IPMG) which consists of Officers with relevant expertise from the asset/property and finance teams. The IPMG reviews the performance of individual assets and annual performance across the portfolio along with commentary on an overview of the local property market. Reports are made on performance of individual assets to the Property Review Group (PRG) and on the overall performance of the portfolio to the Overview and Scrutiny Committee

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SCHEDULE OF GENERAL FUND CAPITAL BIDS 2018-19 TO 2022-23

Appendix 2

Bid number	Project title	GROSS ESTIMATES						TOTAL COST £000	Third party contr £000	Specific reserves £000	General reserves/ borrowing £000
		2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000					
	General fund										
1	97 Tyting Farm Land - removal of barns and concrete hardstanding	250	0	0	0	0	250	0	0	250	
2	111 A331 hotspots	300	2,230	1,400	0	0	3,930	(1,965)	0	1,965	
3	129 Rodboro buildings - electric theatre through road and parking	450	0	0	0	0	450	0	0	450	
4	130 Castle grounds cottage	60	0	0	0	0	60	0	0	60	
5	139 Guildford bike share	530	0	0	0	0	530	0	0	530	
6	145 48 Quarry St, Museum - structural works	30	220	0	0	0	250	0	0	250	
7	151 Guildford West (Park Barn) station	150	50	0	0	0	200	0	0	200	
8	169 Bus station relocation	300	200	0	0	0	500	0	0	500	
9	197 Shawfield DC	83	0	0	0	0	83	0	0	83	
10	198 SMP - electrical works	39	0	0	0	0	39	0	0	39	
11	201 Millmead House - M&E plant renewal	33	0	0	0	0	33	0	0	33	
12	205 Hydro private wire	85	0	0	0	0	85	0	0	85	
13	210 Stoke Park Masterplan enabling costs	100	100	150	0	150	500	0	0	500	
14	211 Roads & footpaths	300	400	400	400	400	1,900	0	0	1,900	
15	213 Sports pavilions - replace water heaters	154	0	0	0	0	154	0	0	154	
16	229 Millmead fish pass	0	60	0	0	0	60	0	0	60	
17	261 Land to the rear of 39-42 castle street	10	0	0	0	0	10	0	0	10	
18	264 Old Manor House - replacement windows	193	0	0	0	0	193	0	0	193	
19	Crematorium VAT	1,023	669	0	0	0	1,692	0	0	1,692	
20	Student Housing	3,000	45,000	33,000	0	0	81,000	0	0	81,000	
21	Museum additional funding	185	180	855	0	0	1,220	0	0	1,220	
22	Capital Contingency fund (annual budget)	5,000	5,000	5,000	5,000	5,000	25,000	0	0	25,000	
	Total	12,275	54,109	40,805	5,400	5,550	118,139	(1,965)	0	116,174	
	For reserves programme (approved prog)										
23	140 ICT renewals	2,284	527	500	500	500	4,311	0	(4,311)	0	
24	177 Deck Millbrook Car Park	0	2,000	0	0	0	2,000	0	(2,000)	0	
25	181 New POF equipment	15	585	0	0	0	600	0	(600)	0	
26	194 Structural works to MSCP	200	100	0	0	0	300	0	(300)	0	
27	200 PBDC - air source heat pump	143	0	0	0	0	143	0	(143)	0	
28	207 SMP - air source heat pump	28	0	0	0	0	28	0	(28)	0	
29	212 Stoke Park nursery - air source heat pump	17	0	0	0	0	17	0	(17)	0	
	Total funded from reserves	2,687	3,212	500	500	500	7,399	0	(7,399)	0	
	Gross total	14,962	57,321	41,305	5,900	6,050	125,538	(1,965)	(7,399)	116,174	
	Funded by reserves or contributions	(2,837)	(4,327)	(1,200)	(500)	(500)	(9,364)				
	Cost to the Council	12,125	52,994	40,105	5,400	5,550	116,174				
	Already in programme	(5,000)	(5,000)	(5,000)	(5,000)	0	(20,000)				
	Net addition to the programme	7,125	47,994	35,105	400	5,550	96,174				

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Bid for Funding: Rodboro Buildings – Electric Theatre through road and

Project Name:	Rodboro Buildings – Electric Theatre through road and parking		
Project Code:	2017		129
Project Description:	Project to include a scheme to segregate vehicles from pedestrians, provide designated parking zones, new bin store, signage, possibly lighting, new paving and roadway surfacing. Consultants fees would include traffic study on the entrance and exit to Gyratory, engineers fees, and a project supervisor. Legal fees to amend any existing leases, and costs for implementing cleansing regime (either internal or external service).		
Project / Programme Manager:	Melissa Bromham	Ward:	Holy Trinity Ward
Senior Responsible Officer:	Philip O'Dwyer	Directorate:	Community
Corporate Plan Theme:	Our Environment	Confidential:	No
Expected Start Date:		Exempt VAT Implications:	
Target Completion Date:		Grant access to someone:	

Drivers and Objectives:

To develop and implement an imaginative, easy maintainable, robust and attractive scheme to improve the area around the Rodboro Buildings. This will improve access for pedestrians and vehicles to prevent any future accidents.

Provide solutions to some of the current key issues:

- Unauthorised parking in non-parking areas/parking areas demised to other tenants.
- Safety risk for pedestrians caused by turning vehicles and a bad layout design.
- Use of area as a cut through from gyratory.
- State of disrepair of paving and variety of materials.
- No external storage areas for Wetherspoons that has led to unauthorised storage of bins and barrels.
- Unsightly appearance.

Background Information:

The Council owns a parcel of land in the centre of the Guildford town centre gyratory system. This comprises the following buildings:

- Armour Building – recently acquired and let on a 25-year lease from 1998 to Stonegate Pub Company (trading as Popworld).
- Rodboro Buildings – Let on a 25-year lease from 1998 to J D Wetherspoon Ltd and another 25 year lease from 1998 to Academy Music Services Limited (ACM Commercial Ltd).
- The Electric Theatre – recently let to ACM Commercial Ltd

The external space in this area used to be maintained as part of the Electric Theatre. Following the recent letting of the Electric Theatre, only part of the external area has been demised to ACM Commercial Ltd. The area immediately surrounding the Rodboro Building and Popworld is not demised to any tenant (Wetherspoons have a licence for a small area of external seating). However, access rights over the land have been granted to all of the above tenants (vehicular and pedestrian).

A number of issues have arisen:

- Unauthorised parking in non-parking areas/parking areas demised to other tenants.
- Safety risk for pedestrians caused by turning vehicles and a bad layout design.
- Use of area as a cut through from gyratory.
- State of disrepair of paving and variety of materials.
- No external storage areas for Wetherspoons that has led to unauthorised storage of bins and barrels.
- Unsightly appearance.

The proposed scheme will create a pedestrian friendly environment, outdoor seating, and encourage other activities to take place in a safe environment. The project supports the aims and objectives of the Council to regenerate the town centre and to improve accessibility and pedestrian environment.

Agenda Item number: 6 arrangement and implementation of pedestrian and vehicle segregation and a new car parking scheme.

Appendix 3

Once the designs are finalised a project manager and contractor shall need to be appointed to undertake the proposed works.

Project / Programme Objectives: To develop and implement an imaginative, easily maintainable, robust and attractive scheme to provide pedestrian and vehicle segregation and car parking in the area surrounding the Rodboro Building and Electric Theatre. This will improve access for pedestrians and vehicles to prevent any future accidents.

Implications: If the project does not proceed and no action is taken to improve the area there will be the following implications:

- the area will be left to deteriorate further making it unsightly;
- tenants shall continue to complain about the area and the lack of external storage;
- continued health and safety risk to pedestrians and vehicles due to unauthorised parking, turning of vehicles, and bad layout; and
- continued health and safety risk to pedestrians from uneven surface, unauthorised external storage.

Legal / Statutory Requirement:

Legislative / Statutory Implications: Health and Safety Planning

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents: Not known at this stage

Constraints:

Assumptions:

- Tenants will buy-in to scheme
- There will be enough space to provide parking, external seating and bin storage to current standards
- Any necessary planning/building control consents will be obtained

Changes / Effects: The project will:

- improve appearance of this part of the town centre;
- prevent potential health and safety risks/incidents;
- prevent further complaints from tenants; and
- make the asset more valuable.

Measures for Success: The delivery of a safe, imaginative, easily maintainable, robust and attractive scheme to provide vehicle and pedestrian segregation, parking and external storage for the Council's commercial tenants.

Viable Options and Rejection Reasons: The only other option is to do nothing. This is not recommended as there is a potential health and safety risk to pedestrians.

Costs

Agenda item number: 6

Appendix 3

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Consultant	20,000	N/A	N/A	
			N/A	N/A	0
2018/19	Project Manager	30,000	N/A	N/A	
			N/A	N/A	0
2018/19	Contractor	400,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£450,000	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Improved facilities for tenants	Improved Customer Satisfaction	The provision of safe ingress and egress to their properties and the provision of external storage	
More attractive street scene	Improved Social Benefits	The provision of an attractive and easily maintainable scheme	

Risks

Title	Description
Insurance claim	Risk that a pedestrian is hurt or injured in accident involving a vehicle and claims against the Council as landowner

Fundamental Themes

Our Economy: 2 - Low

The proposed scheme will help to achieve the following priority:

- Providing for high quality commercial land and buildings

Our Borough: 8 - Medium to High

The proposed scheme will help to achieve the following priorities:

- Ensuring an attractive, competitive, multi-faceted and vibrant town
- Enhancing our shopping and leisure offer
- Improving accessibility and the pedestrian environment

It will also help the Council in its aim to:

- Develop a programme of town centre pedestrianisation and road changes and improve the bus, cycling and walking networks
- Delivered infrastructure changes to support local communities

Our Infrastructure: 2 - Low
Agenda Item number: 6

Appendix 3
Help to make property more attractive and prevent congestion due to unauthorised use of the area as a cut through.

Our Environment: 6 - Medium

The proposed scheme will help to achieve the following priorities:

- Being a clean and attractive borough
- Protecting and improving our environment
- Improving walking and cycling routes

Our Society: 0 - None

Your Council: 2 - Low

The proposed scheme will help to achieve the following priority:

- Maximising the value derived from our property portfolio

Fundamental Themes Total: 20

Other Category Themes

Asset Management: 10 - Very High

Investment into a Council asset

Business Case: 2 - Low

Will make property more attractive and, as such, more lettable/valuable

Health and Safety / Statutory Requirement: 8 - Medium to High

Risk to pedestrian and vehicle safety

Service Delivery: 0 - None

Third Party Funding: 0 - None

Other Themes Total: 20

Themes Total: 40

Bid for Funding: Castle Grounds Cottage - Refurbishment

Project Name:	<input type="text" value="Castle Grounds Cottage - Refurbishment"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="130"/>	
Project Description:	<input type="text" value="Refurbish to lettable standard ready for temporary occupation as a private residential let"/>		
Project / Programme Manager:	<input type="text" value="Asset Maintenance Manager"/>	Ward:	<input type="text" value="Holy Trinity Ward"/>
Senior Responsible Officer:	<input type="text" value="Marieke van der Reijden"/>	Directorate:	<input type="text" value="Community"/>
Corporate Plan Theme:	<input type="text" value="Your Council"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/08/2018"/>	Exempt VAT Implications:	<input type="text" value="No"/>
Target Completion Date:	<input type="text" value="01/12/2018"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives: The main driver is to utilise Castle Grounds Cottage, a currently vacant residential property, on a temporary basis for private residential let with the objective of deriving a short to medium term income, prior to a decision on the long term future use of the asset being made.

Background Information: The property was used as staff accommodation by Parks and Leisure Services. Following the departure of its last tenant, circa two years ago, the property has remained vacant.

The property is in a poor state of condition and will require full refurbishment, whatever use, going forward.

The Museum and Castle Grounds project is currently at feasibility stage. At the time of writing, the Cottage is identified within the project plans for possible use as part of the future Museum attraction. However, these proposals require major considerations, which will take time to resolve. Whilst ideally the Council would wait for formal confirmation through Executive that this should be the future use of the Cottage, the present situation of holding a vacant property means a recommendation whether to proceed with the works is required sooner.

Project / Programme Objectives: Project: Refurbishment of Castle Grounds Cottage for private residential let.
 Programme: 01/08/2018 - 01/12/2018.
 Objectives: To derive an income from the property prior to a decision on the long term future use being made.

Implications: Financial: Cost estimate for the project is £60,000 to refurbish in order to realise a return.
 Timing: A decision on the short term use of the building made ahead of a formal Executive decision on the Museum and Castle Grounds project.

Future: The long term plan for the property is unestablished; thus, full refurbishment works for private residential let may not lend themselves as relevant to the future use of the asset.

Resource: The Building Surveying team is currently under resourced and thus delivering this project in-house may prove unfeasible.

Return on investment: For the Council to realise a return on its investment of £60,000 the property would need to be let for an estimated period of 2.5 years. A change of use before this could see a loss on initial capital expenditure.

Private residential let: The location of the property, within the Castle Grounds, does afford issues with private residential let. The gates to the grounds are locked at certain times; however, the tenant of the property would require unfettered access.

Legal / Statutory Requirement:

**Legislative /
Statutory
Implications:**

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Appendix 3
Building Regulations: Under the Building Act 1984 Building control consent is likely to be required.
Conservation Area: Property falls within the Guildford Town Conservation Area. Consequently, considerations required for changing windows/rear patio doors and the external appearance of the property.
Health and Safety: Project will fall within the scope of the CDM Regulations 2015, although will not be notifiable to the HSE.
Ecological: Due to the location of the building it is likely to house bat roosts. Consequently, certain works may be restricted and/or require a licence from Natural England.
Asbestos: The Control of Asbestos Regulations 2012 will need to be followed. This will require a Refurbishment and Demolition (R&D) survey pre the works. Due to the age of the property Asbestos Containing Materials (ACMs) may be found once the building is opened-up. Where ACMs are found, advice from the Council's appointed asbestos consultant will be sought.

**Planning
Permission
Required:**

**Building
Regulation
Required:**

**Details of Other
Required
Consents:**

Conservation Area Consent: This may be required in relation to changing the windows/external appearance of the building. Advice will be sought from the Council's planning department pre the works.
Ecological: A licence from Natural England may be required for certain works where bat roosts are present.

Constraints:

Resource: The Building Surveying team is currently under-resourced and thus it is uncertain whether there will be capacity in-house to undertake this capital project.
Ecological: Depending on the results of the ecological survey certain works may be constrained or subject to licence from Natural England.
Conservation area: The property falls within the Guildford Town Centre conservation area; thus, there will be restrictions on changing the external appearance of the building - the main item of which is windows and rear patio doors.

Assumptions:

Refurbishment costs are based on rates obtained from pricing books and previous tender documentation.
Budget estimate assumes property is structurally sound and required works are general refurbishment and aesthetics.
Budget estimate assumes no substantial removal of asbestos is required pre the refurbishment works.
Budget estimate assumes that the existing services are largely sound, and only allows for minor works.

**Changes /
Effects:**

To change the building from a very poor state of repair to a private residential lettable standard, with the effect of increasing the potential revenue generation from the Council's property portfolio.

**Measures for
Success:**

Project delivered on time, on budget, and to the correct standard/quality.
Property privately let within a short timeframe post refurbishment for a competitive rental income

**Viable Options
and Rejection
Reasons:**

Short term options:
1) Do nothing: This option was rejected on the grounds that the Council can be criticised for owning vacant properties that have revenue generating potential
2) Keep the property vacant until Cottage is redeveloped as part of the Museum Project; option rejected because the timeframe is unknown and the property would be likely to deteriorate in the meantime
3) Refurbish for short term residential let: since the long term use of the property is unestablished, this is likely to be an interim measure

Costs

Agenda item number: 6

Appendix 3

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Professional fees	5,000	N/A	N/A	
			N/A	N/A	0
2018/19	Contractor costs	48,000	N/A	N/A	
			N/A	N/A	0
2018/19	Contingency	5,000	N/A	N/A	
			N/A	N/A	0
2018/19	Preliminaries	2,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£60,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	Value added to asset through refurbishment works / Rental income from private let	50,000	24,000
2020/21	Rental income from private let	0	24,000
2021/22	Rental income from private let	0	24,000

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2019/20	50,000	24,000
2020/21	0	24,000
2021/22	0	24,000

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Providing residential accomodation	Improved Social Benefits	Refurbishing this property will provide additional residential accomodation within the borough. The measure of success will be letting the property.	01/12/18
Void properties	Improved Customer Satisfaction	The Council is open to criticism where it fails to generate an income from its property portfolio; particularly where assets remain void for extended periods of time. The measure of success will be generating an income from letting the property.	01/03/19

Planned Preventative Maintenance	Reduced Asset Costs	Whilst there will be an initial capital expenditure in year 1 to refurbish this property for residential let; future planned maintenance costs for the asset will be reduced. This not only affects future maintenance costs, but also staff time. The measure of success will be comparing previous years planned maintenance expenditure vs future planned maintenance expenditure.	01/12/18
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Vandalism	Improved Service Provision	While the building remains vacant there is an increased risk of vandalism to the property as well as the immediate surrounding areas.	01/12/18

Risks

Title	Description
Lettability and revenue generation	There is the risk that post refurbishment the property fails to let for the desired annual amount and/or within a reasonable timeframe.
Budget	As with all construction projects there is the risk of costs escalating due to unforeseen events.
Long term use of the asset	If the longer term use of the asset is realised early and this does not accord with the residential refurbishment works there is a risk that the Council will not realise a return on its initial capital investment.
Health and Safety	As with all construction project, by there very nature there are Health and Safety risks involved when working onsite.

Fundamental Themes

Our Economy:	6 - Medium	Improved building and facility contributes to the Council's aim for high quality land and buildings; as well as providing additional residential accommodation within the Borough.
Our Borough:	6 - Medium	Improvements to the building will contribute an element towards an attractive town, especially as the building sits within the award winning Castle Grounds.
Our Infrastructure:	0 - None	None.
Our Environment:	8 - Medium to High	Contributes towards aim for protecting and improving our environment by not remaining vacant and exposed to possible vandalism.
Our Society:	4 - Low to Medium	Project makes some improvement to the lives of residents and visitors who pass through the Castle Grounds by showing that the Council property is well kept and maintained.
Your Council:	6 - Medium	Shows commitment to keeping good quality assets and seeking to ensure the best value is obtained out of them, even as a short term solution. Demonstrates a proactive Council.

Fundamental Themes Total: **30**

Other Category Themes

Asset Management:	8 - Medium to High	Page 144
		Keep the building in good repair and making good use of the asset by letting in the short term.

Business Case: 4 - Low to Medium

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This offers a short term solution pending the outcome for the property, which is currently under consideration as part of the Museum and Castle Grounds project.

Health and Safety / Statutory Requirement: 8 - Medium to High

There is a security risk whilst the property remains vacant; the property also risks falling in to disrepair and requiring greater expenditure further down the line.

Service Delivery: 4 - Low to Medium

Parks and Leisure Services would benefit from the income generated, albeit the full benefit is not realisable for circa 2.5 years post initial capital investment.

Requirement on Asset Development to keep the building in good repair and seek to ensure an income is achieved from property. Once refurbishment works are complete the demand on the Building Surveying team for future maintenance will be reduced.

Third Party Funding: 0 - None

None

Other Themes Total: 24

Themes Total: 54

Project Name:	<input type="text" value="Guildford Bike Share"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="139"/>	
Project Description:	<input type="text" value="A new public bike share/hire scheme for the town, exact details to be established following a feasibility study, though approximately 150 bikes with between 10 and 15 stations situated in suitable and convenient locations around the town centre and beyond are expected for the initial set up of the scheme. It is likely to include a mix of standard and electric bicycles - dependent on cost and the outcome of the feasibility work."/>		
Project / Programme Manager:	<input type="text" value="Rob Curtis"/>	Ward:	<input type="text"/>
Senior Responsible Officer:	<input type="text" value="Zac Elwood"/>	Directorate:	<input type="text" value="Development"/>
Corporate Plan Theme:	<input type="text" value="Our Environment"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/08/2017"/>	Exempt VAT Implications:	<input type="text"/>
Target Completion Date:	<input type="text" value="31/03/2019"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives: Increase cycling and reduce private car use in/around the town centre. Relieving congestion, improved public health and air quality benefits.

Corporate Plan 2015-2020

Our Borough
Improved accessibility

Our Economy
Improving local community facilities

Our Infrastructure
Sustainable transport - urban and rural

Our Environment
Improved resilience through sustainability

Our Society
Improving public health and wellbeing (through supporting RSCH)

The Corporate Plan 2015-2020 also includes, under the 'Our Borough' theme, a specific action to *"Explore and, subject to feasibility, introduce an electric bike scheme."*

Background Information: A public cycle hire scheme is proposed which will enable users to cycle part/all of their journeys, linking key destinations and transport hubs. The intention is that GBC would fund the upfront capital to set up the scheme, but ongoing revenue costs for running the scheme would be met through a combination of sponsorship and hire receipts. A suitable partner organisation would need to be identified and contracts entered into. Interest in bringing such a scheme to Guildford has been expressed by three companies that officers have approached to-date (Nextbike, Hourbike and ITS), but there are a number of other established operators offering a similar product.

Report went to the Borough, Economy & Infrastructure EAB on 13 September 2017 and was generally well received by members. It was agreed that a feasibility study should be undertaken and the EAB provided a number of questions to be asked as part of this study - including whether it should be 'traditional' or 'free floating' bikes. The idea of including a percentage of electric bicycles within the scheme was also endorsed.

- Project / Programme Objectives:**
- Increase cycling patronage and encourage modal shift
 - Reduce congestion issues
 - Enable users more options and make cycling available to more people
 - Improvements to public health
 - Greening the town

Implications:	<p>Possible ongoing revenue costs, though these are expected to be met by the sponsorship of the scheme - scheme operator to manage all of these aspects so effectively any revenue cost/gain is expected to be minimal. (feasibility and tender process will address this)</p> <p>Cost of commissioning detailed feasibility study - revenue funding requested.</p> <p>Public safety implications prior to delivery of cycle network improvements.</p>
Legal / Statutory Requirement:	<p>No</p>
Legislative / Statutory Implications:	<p>Public liability issues to be addressed</p>
Planning Permission Required:	<p>Yes</p>
Building Regulation Required:	<p>No</p>
Details of Other Required Consents:	<ul style="list-style-type: none"> • Need to ensure agreement with the local highway authority • Approval from various landowners to site hubs (e.g. University, Hospital, Network Rail, SCC)
Constraints:	<ul style="list-style-type: none"> • Current road layout is not "cycle friendly" in some locations so care is required in directing cyclists between docking sites • Docking site locations to be agreed • If electric bikes are to be used, docks will require mains power connection - could add costs or limit locations available • Capital costs may limit percentage of electric bicycles
Assumptions:	<ul style="list-style-type: none"> • Capital monies for start-up are made available • Assume that suitable sponsor can be found for ongoing revenue/running costs • There is demand for such a scheme in the town - this will be explored in feasibility study • Approval to site hubs at various locations from landowners
Changes / Effects:	<ul style="list-style-type: none"> • Availability of bikes for all in the town • Improved public health • Modal shift from the private car • Introduction of legitimate and real alternative for shorter journeys • May start to engender culture change amongst some commuters • Improves leisure and recreation offer within the town
Measures for Success:	<p>To be determined at feasibility could include:</p> <ul style="list-style-type: none"> • usage levels of the bikes • reduction in private car use/congestion • public health statistics • scheme is sustainable and self-funding post initial set-up costs • whether scheme is extended beyond initial period (likely to be 5 years)
Viable Options and Rejection Reasons:	<p>'Do nothing' - This has been rejected because it would not address perceived latent demand for a bike scheme and would not lead to the expected improvements identified. It would also mean that a corporate action in the adopted Corporate Plan would not be brought forward within the plan period.</p> <p>'Fully electric bikes scheme' - this would meet the Corporate Plan ambition/action, but will lead to additional capital set-up costs for the Council. This option will be explored through the feasibility study.</p> <p>'Fully manual bikes scheme' - This option will be explored through the feasibility study, but is anticipated to be rejected as it does not meet the Corporate Plan action identified, which seeks an electric bike scheme.</p>

Costs Agenda item number: 6
Appendix 3

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Feasibility and Tendering process	0	F5610	Sustainable Movement	
			D4520	Consultants (Advice)	75,000
2018/19	Implementation of project	530,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£530,000	£75,000

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2018/19	Anticipated Sponsorship	0	30,000
2019/20	Anticipated Sponsorship	0	31,000
2020/21	Anticipated Sponsorship	0	32,000
2021/22	Anticipated Sponsorship	0	33,000
2022/23	Anticipated Sponsorship	0	34,000

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	0	30,000
2019/20	0	31,000
2020/21	0	32,000
2021/22	0	33,000
2022/23	0	34,000

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
New transport option available to those wishing to travel to/around the town centre	Improved Service Provision	Usage statistics will show how people are travelling	31/03/19
New transport option available to those wishing to travel to/around the town centre	Improved Customer Satisfaction	Feedback regarding the project will be collected by the provider	31/03/19
New transport option available to those wishing to travel to/around the town centre	Improved Social Benefits	Usage statistics will show the demographic of users	31/03/19
Modal shift and cutting air pollution	Reduced Carbon	Air Quality measurements	31/03/23

Risks

Agenda item number: 6
Appendix 3

Title	Description
Road Safety	Some roads around the Town are not well suited for cyclists, need to mitigate this by enabling cycling in some areas and providing information and guidance for cyclists. Providers would also ensure that each user signs a disclaimer regarding their cycling behaviour and responsibilities.
Sponsorship	It is currently assumed that sponsorship will cover the operational costs. Council will need to ensure that the sponsor is appropriate. If sufficient sponsorship is not found there may be a revenue requirement, or the scheme may not be viable
costs	Currently 3 suppliers have provided indicative costs, this will not be confirmed until feasibility and once the full requirements of the scheme are identified. There may be some additional costs such as electrical installation and minor road improvements which could be required as the project develops.
Opportunity - Santander scheme	The university are currently in a competition to win a bike share scheme of 50 bikes. If successful there is an opportunity for GBC to expand that project to cover the town - this might then be part funded by the Santander project and/or revenue costs could be shared with the university/sponsors.

Fundamental Themes

Our Economy:

Our Borough:

Our Infrastructure:

Our Environment:

Our Society:

Your Council:

Fundamental Themes Total:

Other Category Themes

Asset Management:

Business Case:

Health and Safety / Statutory Requirement:

Service Delivery:

Third Party Funding: Agenda Item number: 6

Appendix 3

Other Themes Total:

Themes Total:

Bid for Funding: ICT Transformation

Project Name:	<input type="text" value="ICT Transformation"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="140"/>	
Project Description:	<p>The refresh of existing legacy ICT infrastructure to support smarter ways of working including workforce flexibility and to reduce risk whilst achieving security accreditation compliance.</p> <p>Service bids: * Works order management system £50,000 * Iken £26,000 * PAD £40,000 * Housing options £100,000 * Open Revenues £180,000 * Bartec and parks £20,000</p> <p>ICT general expenditure £300,000</p>		
Project / Programme Manager:	<input type="text" value="Adrian Hudson"/>	Ward:	<input type="text"/>
Senior Responsible Officer:	<input type="text" value="Steve white"/>	Directorate:	<input type="text" value="Resources"/>
Corporate Plan Theme:	<input type="text" value="Your Council"/>	Confidential:	<input type="text"/>
Expected Start Date:	<input type="text" value="01/10/2017"/>	Exempt VAT Implications:	<input type="text"/>
Target Completion Date:	<input type="text" value="31/03/2019"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

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A fully costed business case has been prepared to support this bid.

Appendix 3

Measures for Success:

A fully costed business case has been prepared to support this bid.

Viable Options and Rejection Reasons:

A fully costed business case has been prepared to support this bid.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	ICT Transformation	1,250,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£1,250,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2018/19	ICT Transformation	1,250,000	0
2018/19	Unified Comms	160,000	0
2018/19	ICT Renewals	716,000	0
2019/20	ICT renewals	500,000	0
2020/21	ICT renreals	500,000	0
2021/22	ICT renewals	500,000	0
2022/23	ICT renewals	500,000	0
2023/24	ICT renewals	500,000	0
2024/25	ICT renewals	500,000	0
2025/26	ICT renewals	500,000	0
2026/27	ICT renewals	500,000	0
2027/28	ICT Renewals	500,000	0

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	2,126,000	0

2019/20	500,000	0
2020/21	500,000	0
2021/22	500,000	0
2022/23	500,000	0
2023/24	500,000	0
2024/25	500,000	0
2025/26	500,000	0
2026/27	500,000	0
2027/28	500,000	0

Agenda item number: 6
Appendix 3

Fundamental Themes

Our Economy:

Our Borough:

Our Infrastructure:

Our Environment:

Our Society:

Your Council:

Fundamental Themes Total:

Other Category Themes

Asset Management:

Business Case:

Health and Safety / Statutory Requirement:

Service Delivery:

Third Party Funding:

Other Themes Total:

Themes Total: Agenda item number: 6
Appendix 3

Bid for Funding: 48 Quarry St, Museum - Works to remedy structural

Project Name:	48 Quarry St, Museum - Works to remedy structural defects		
Project Code:	2017		145
Project Description:	Undertake works to address structural defects and put building into repair.		
Project / Programme Manager:	Asset Maintenance Manager	Ward:	Holy Trinity Ward
Senior Responsible Officer:	Marieke van der Reijden	Directorate:	Community
Corporate Plan Theme:	Your Council	Confidential:	No
Expected Start Date:	01/04/2018	Exempt VAT Implications:	Yes
Target Completion Date:	31/03/2020	Grant access to someone:	

Drivers and Objectives: To undertake structural strengthening works to put the building into repair and allow occupation of the space to suit the buildings present operational or future uses

Background Information: 48 Quarry Street is a Grade II listed three-storey building originally constructed as a single house. It is used as exhibition space and offices on ground and second floor level with the first floor designated as domestic having previously been used as a caretaker's flat. This is currently unoccupied and is being used for storage.

There have been problems with the structure of the building for a number of years. In particular, the timber floors exhibit signs of significant deflection and feeling of movement under load. When previously looked at work to remedy the situation was deferred pending the outcome of the Museum Heritage Lottery Fund bid. Now falling within the Museum and Castle Grounds project, there is a risk that works will be deferred again whilst we wait for a definitive way forward for this project.

A re-inspection of the present structural condition was undertaken by external structural engineers in July 2017. Their summary findings were that whilst some minor areas of work have been undertaken, the majority of the work has not been carried out so conditions remain as previously reported. Forty defects, ten of which were classified as immediate, require actioning within the next year. The majority of these relate to structure and floor deflection. Twenty actions were classified as medium, seven of which will worsen and accelerate the building defects if not addressed.

From the survey report, the main house whilst built as a residence has been extensively remodelled for offices and exhibition storage raising the question whether the joists in the building are sufficient for this use. Also a bulge of the external walls to the front elevation is due to the movement due to insufficient ties between the joists and external solid walls and the condition of the joist end in the pocket and its assumed weakness and effect it may have on the subsequent bulging.

The Museum and Castle Grounds project is currently at feasibility stage. The future use for 48 Quarry St at the time of writing is identified within the project plans for use as office accommodation for Museum staff and the Museum's supporting organisations such as the Surrey Archaeological Society. Whilst ideally the Council would wait for formal confirmation through Executive that this should be the future use of 48 Quarry Street, the pressing nature of the repairs means a recommendation to proceed with the works is required sooner.

Strengthening the structure and floors to accommodate the use of the building for offices was considered in 2015 and desk-top cost estimate obtained. The cost estimate also included strengthening works assuming the first floor remained as residential accommodation. To retain residential use also meant considering costs to upgrade the facilities within the flat as well as installing fire and sound proofing insulation.

Project / Programme Objectives: To undertake the following elements of work:

- Commission further investigation and intrusive structural inspections
- Commission design solutions to remedy deflection
- Undertake strengthening or improvement works to remedy floor deflection and floor loading capacity
- Undertake works to address lateral movement and bulging to the west (front) elevation wall at high level
- Undertake works to address a high degree of cracking to the east (rear) masonry
- Likely requirement to put right previous works that do not meet the requirements of Historic England
- Works to the interior of the building ready for occupation

Implications: Agents Item number: 6
Appendix 3
If action not taken, the building could become unsafe and subject to severe failure leading to greater remedial costs in the future.
A decision on the use of the building made ahead of a formal Executive decision on the Museum and Castle Grounds project

Legal / Statutory Requirement: Yes

Legislative / Statutory Implications:
Health and safety: Duty to provide a safe working environment during the period of the works; project will fall within the scope of the CDM Regulations 2015
Building Regulations: Building control consent is likely to be required; Building Act 1984
Planning: A change of use will require planning consent
Conservation Area: Considerations required for changing windows and the external appearance
Listed Building: Consent for works and changes to the building will require consent from Historic England
Ecological: Due to the location of the building may house bat roosts. Consequently, certain works may be restricted and/or require a licence from Natural England
Asbestos: The Control of Asbestos Regulations 2012 will need to be followed

Planning Permission Required: Yes

Building Regulation Required: Yes

Details of Other Consents Required:
Listed building consent
Possible bat licence
Pre-application advice has been obtained from the planning team which stated the following on 8 November 2017:-

Site description / constraints:

The site is occupied by a three storey Grade II Listed building. It is located within the Guildford Urban Area, the Town Centre Conservation Area, an Area of High Archeological Potential and an Article 4 direction is in place.

Planning considerations:
Loss of a residential unit
Impact of works on the heritage asset

Loss of a residential unit.

Saved policy H5 of the Guildford Borough Local Plan 2003 as saved by CLG Direction dated 24 September 2007) seeks to retain existing housing stock. I note from your pre application submission you have included a letter from the Council dated 7 September 2007 which addresses this same issue. I can continue to advise that we would normally resist the loss of a residential unit. However, my understanding is that the flat is currently staff/caretaker accommodation and is unlikely to be privately let, due to the access arrangements into the flat and its relationship with the museum making it undesirable to be occupied independently of the Museum. It is therefore less likely to contribute to the wider housing need. The conversion of the flat into office accommodation would provide for museum staff and the Museum's supporting organisations including the Surrey Archaeological Society associated with the museum. It is these factors that may be sufficient to constitute very special circumstances to outweigh the identified harm. I would recommend that any forthcoming application includes a reasoned argument setting out the benefits of the proposed change of use.

Impact on the heritage asset

The building is Grade II listed any works may therefore require listed building consent. The planning team provide the following comments:

- support further structural investigations proposed
- inform Council of further investigation findings and proposed repairs, as some or all of the works may require listed building consent.

There are no suggested amendments

Constraints:
Physical: access to the whole building during the early stage of intrusive survey and once works are underway will be an issue for staff who operate from the building. During the works phase, the building would need to be vacated and alternative office and storage accommodation will need to be found and made available
Physical: much of the site has electrical and plumbing installations that do not meet the statutory requirements associated with the ownership of a listed building and these will in all likelihood need to be addressed and made compliant as part of the project in order to obtain listed building consent
Legislative: works will need to be acceptable to the Council's Conservation Team and Historic England where listed building consent is required
Legislative: bats are present and therefore a bat licence may be required
Corporate: decision required on the future use of the building
Planning: question of whether planning consent would be required and granted for loss of residential if the

domestic accommodation is converted to office use. Pre-application advice obtained on 8 November 2017 suggests that the special circumstances involved may be sufficient to outweigh the loss of residential accommodation.

Agenda item number 6
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Assumptions:

Ability to relocate staff to alternative accommodation during the works
A design and specification that is acceptable to the Council's Conservation team and Historic England and that listed building consent, building regulations and planning consent are granted
Any necessary planning consent for change of use is granted
Budget estimate assumes no substantial removal of asbestos is required pre the works taking place

Changes / Effects:

Halt any further deterioration of the structure and fabric of the building and ensure a safe working environment for staff and museum visitors

Measures for Success:

Movement of the building is halted and the workplace secured for future staff and visitors to the Museum

Viable Options and Rejection Reasons:

Two options are possible depending on the future use of the building:
1) Potential upgrading of first floor flat for continued residential use as a separate tenancy - rejected on basis that it is more expensive and doesn't meet the preferred use identified in the Museum and Castle Grounds project
2) Potential for upgrading first floor for office use - preferred option, subject to planning

Option 1 – Upgrade first floor flat for continued residential use: £144,000 exl VAT (as at June 2015)

Scope of work requires:

- Upgrading work remedial repairs to address outstanding defects
- Strengthen existing under-capacity floors
- Strengthen first floor to Category A - Domestic Loading
- Install Reduc floor system for sound/impact attenuation together with fire resistant quilt system
- Replace electrical wiring and pipework
- Replace kitchen
- Take out and refit bathroom
- Redecoration

Option 2 – Upgrade first floor flat to office use: £124,000 exl VAT (as at June 2015)

Scope of work required:

- Upgrading work remedial repairs to address outstanding defects
- Strengthen Floor to Category B - Light Office Loading
- Replace electrical wiring and pipework within floor
- Remove kitchen
- Take out and refit bathroom as WC's
- Redecoration

Costs					
Agenda item number: 6 Appendix 3					
Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Investigations and consultant reports	20,000	N/A	N/A	
			N/A	N/A	0
2018/19	Planning consent and tendering	10,000	N/A	N/A	
			N/A	N/A	0
2019/20	Initial remedial works and project management	50,000	N/A	N/A	
			N/A	N/A	0
2019/20	Remaining remedial works and project management	150,000	N/A	N/A	
			N/A	N/A	0
2019/20	Contingency funds for alternative accommodation	20,000	N/A	N/A	
			N/A	N/A	0
Costs Totals					
Year	Capital Total (£)	Revenue Total (£)			
2018/19	£30,000	£0			
2019/20	£220,000	£0			

Non Financial Benefits			
Title	Category	Measure	Expected Delivery Date
Service benefit	Improved Service Provision	Difficult to measure but the service would benefit from additional use of office space to accommodate staff and in turn this should lead to staff having more time to dedicate to improving the visitor attraction	31/03/20
Staff benefit	Improved Staff Satisfaction	Staff satisfaction survey would hope to show comment on an improved working environment	31/03/20
Cost benefit	Reduced Asset Costs	Improvements will extend the life of the building and may lead to reduced annual costs to operate the building through more efficient use of the space	31/03/20
Legal compliance	Improved Service Provision	Compliance with legislation to provide a safe working environment and also in terms of showing we maintain buildings in line with legislation around historic building maintenance	31/03/20

Risks	
Title	Description
Health and Safety	Works will require high level of attention to safety on site, for staff, visitors and the contractor. To mitigate this the Council will employ a principle designer and

	ensure the works are organised in accordance with CDM Regulations
Planning	Agenda item number: 6 Appendix 3 Planning permission required for change of use for the residential part, to office use. Pre-application advice received on 8 November 2017 suggests that the special circumstances involved may be sufficient to outweigh the loss of residential accommodation.
Lack of decision	Forming part of the Museum and Castle Grounds project exposes the risk that Executive don't want to commit to the repairs now leading to further delay and lack of direction. This capital bid hopefully will help avoid this.
Timing	Without a clear decision on whether to go ahead or not, programming works with plenty of advance notification for the service will be problematic. This capital bid hopefully will help avoid this.
Costs	Once further investigations have taken place, we may find the costs are greater than projected. An allowance is made within year 1 to employ external consultants to undertake early and intrusive investigations.
Bats	If bats are identified prior to works starting, the project could suffer programming issues to ensure work takes place at scheduled times in the year. A bat survey will be instructed at the first opportunity.
Security	The site will require additional security during the works to protect the asset and the Museum collection. Costs would be obtained and the specification agreed with Heritage Services
Alternative accommodation	Office and storage accommodation will need to be found for staff during the works phase; working with Heritage Services, options might include space at Millmead, alternative Council owned property or leasing space for a short period
Service disruption	Inevitably this will be the case both at early stage of further investigations and when the works take place; the project manager will need to work closely with Heritage Services to alleviate this as much as is possible
Project management	Dedicated resources to running a complex project of this type, will require a dedicated project manager. This is likely to mean appointing an external surveyor in order to ensure the project can keep going and stay on track.
Loss of visitors	The disruption on site could result in a decrease in the number of visitors to the Museum. Again a reason for appointing an external surveyor to project manage the works and be the liaison with Heritage Services on a daily basis
Asbestos	Asbestos: The Control of Asbestos Regulations 2012 will need to be followed. This will require and Refurbishment and Demolition (R&D) survey pre the works. Due to the age of the property Asbestos Containing Materials (ACMs) may be found once the building is opened up. Where ACMs are found, advice from the Council's appointed asbestos consultant will be sought

Fundamental Themes

Our Economy:	8 - Medium to High
	Improved building and facility contributes to the Council's aim for high quality land and buildings plus 48 Quarry Street will provide improvement to local community facilities
Our Borough:	8 - Medium to High
	Improvements to 48 Quarry Street will contribute to promoting urban design
Our Infrastructure:	0 - None
	None
Our Environment:	4 - Low to Medium
	Works will help protecting and improving our urban environment and historic building

Our Society: 10 - Very High
Agenda Item number: 6

Appendix 3
The works will ensure Museum staff have full use of the building from which to operate an improved Museum Service. It will contribute to public wellbeing for visitors by the building being well kept and attractive

Your Council: 8 - Medium to High

Shows commitment to keeping good quality assets for our customers and staff

Fundamental Themes Total: 38

Other Category Themes

Asset Management: 10 - Very High

Essential maintenance

Business Case: 10 - Very High

If no action undertaken, the situation will worsen; the works will protect the building and secure it for the future of the Museum service

Health and Safety / Statutory Requirement: 10 - Very High

The works are critical to ensure the safe use of the building

Service Delivery: 8 - Medium to High

The works will also enable the full use of the building for the Museum staff and in turn contribute to the development of the Museum service
Requirement for Asset Development to repair and maintain Council owned operational buildings

Third Party Funding: 0 - None

None

Other Themes Total: 38

Themes Total: 76

Bid for Funding: Guildford West (Park Barn) Station

Project Name:

Project Code:

Project Description:

This is a proposal for a new passenger railway station on the North Downs Line to the west of Guildford main line station. This will provide a vital rail link for one of the most economically active areas of Guildford, embracing both the Royal Surrey County Hospital and Surrey University. It will also help to regenerate the Park Barn area of the town. Both the University and Hospital have indicated that poor accessibility has impacted on their ability to both recruit and retain staff.

GRIP2 (Feasibility) has been progressed over the past 12 months and delivers a very healthy Benefits to Costs Ratio (BCR) indicating it is certainly worth progressing this project, which contributes to a number of Corporate Plan Themes and is now included as an allocation in the Submission Local Plan that has recently been out to public consultation.

It is envisaged that NR sign off on the GRIP2 stage will be obtained shortly - the project would then need to progress to GRIP stages 3 (Option Selection) & 4 (Single Option Development).

Project / Programme Manager:	<input type="text" value="Zac Ellwood"/>	Ward:	<input type="text" value="Onslow Ward"/>
Senior Responsible Officer:	<input type="text" value="Tracey Coleman"/>	Directorate:	<input type="text" value="Development"/>
Corporate Plan Theme:	<input type="text" value="Our Infrastructure"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="25/04/2016"/>	Exempt VAT Implications:	<input type="text"/>
Target Completion Date:	<input type="text" value="01/04/2024"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

- Local road congestion limiting future growth agendas of the local institutions and research park
- Reduce or mitigate against existing local parking issues
- Poor or unreliable bus links between the town centre and the University/Hospital/Research Park
- Improved transport linkages needed to a deprived area of the town
- Mitigation for future housing growth envisaged at strategic housing site at Blackwell Farm
- Supporting the University, RSCH and other local businesses in attracting and/or retaining staff - evidence has shown that a large number of hospital staff travel in from the west (e.g. Aldershot, Farnham) and there is latent demand for a new stop at Park Barn.
- MOU between GBC, RSCH, UoS & SCC

Corporate Plan 2015-2020

Our Borough

Improved accessibility

Our Economy

Economic leadership to deliver sustainable and proportionate growth

Building strong links and leveraging synergies between public, private and third sectors

Improving local community facilities

Our Infrastructure

Sustainable transport - urban and rural

Improved rail connectivity with new rail halts

Our Environment

Improved resilience through sustainability

Our Society

Improving public health and wellbeing (through supporting RSCH)

Appendix 3

Background Information:

The work on GRIP Stage 2 involved the following phases and is nearing completion:

GRIP Stage 2 - Structure of Study

- Phase 1 – Strategic Outline Business Case (SOBC) which is fully compliant with WebTAG
- Phase 2 – Network Rail compliant GRIP2 study, and update to SOBC
- Phase 3 – Outline Business Case (OBC) which is fully compliant with WebTAG

Phase 1 was completed in October 2016. Phase 2 has only just been completed, with Network Rail now satisfied on the engineering side of the project. Phase 3: The OBC is still in draft format and requires some final finessing to address comments made by Network Rail, including a thorough analysis on the forecast economics and assumed passenger numbers from Network Rail.

Project Finance

For GRIP stages 3 (Option Selection) & 4 (Single Option Development).

It is requested that a revenue allowance of £100k for 2018/19 should be made for the GRIP 3 (Option Selection) study (including £25k for Network Rail's review of this study). GRIP 3 is revenue funded and it is assumed GRIP 4 (Single Option Development) stage onwards could be capitalised and a capital bid of £200k is required for this stage. However, it is recommended the two stages are undertaken consecutively during 2018/19. Network Rail are unlikely to be in a position to review GRIP 4 until 2019/20 and the figures in Part 3 of this bid reflect that

Project / Programme Objectives:

It is anticipated the GRIP 3 & 4 study will take around 10-12 months to complete. Time allowances to produce the GRIP 3 & 4 brief (two months) and procurement (if via the HCA then also two months) need also to be made.

Implications:

- Financial cost of delivering new station needs to be met
- Risks associated with taking forward complex scheme without funding in place

Legal / Statutory Requirement:

No

Legislative / Statutory Implications:

- Railways Act 2005
- Railway (Licensing of Railway Undertakings) Regulations 2005
- Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016
- Station to be constructed on operation land under control of Network Rail - licensing
- Highways Act 1980

Planning Permission Required:

Yes

Building Regulation Required:

Yes

Details of Other Required Consents:

Franchisee/Operator consent
 Access rights to be granted by third party landowners (e.g. RSCH)

Constraints:

Financial constraints

Funding need for match funding from private investment.

Other constraints

Rail operator timetabling and scheduling

Parking for station

Pedestrian access over housing land to north of railway line (Apple Tree Pub site)

Remaining Engineering Constraints

- Adjacent third party structures
- Heritage, listed buildings, noise receptors, ecological sensitivities, impact on neighbours
- Walking and highway access requirements
- EMC sensitive sites, and

<p>Assumptions:</p>	<p>- Existing non-compliances in the rail infrastructure</p> <p style="text-align: right;">Agenda item number: 6</p> <p>Appendix B</p> <ul style="list-style-type: none"> • Successful application to the LEP for Growth Fund Round 4 or New Stations Fund • Planning permission being forthcoming • Support from local community • Sign-off from Network Rail at each necessary GRIP stage • Support from the new rail franchisee (First MTR) • RSCH prepared to allow vehicular and pedestrian access through their hospital land
<p>Changes / Effects:</p>	<ul style="list-style-type: none"> - A new railway station at Guildford West - Additional capacity on the A3, resulting from mode transfer of the users of the Royal Surrey County Hospital and University of Surrey - Sustainable travel future for the Guildford West area - Allows UoS and RSCH to access national rather than regional markets, for example students, patients, employers, employees etc. <p>Economically, the project will also address a barrier to the attraction of the R & D activities from leading edge global companies and from dynamic ventures in the niche sectors, prioritised by Enterprise M3. Prominent among this is the 5G research activity. 5G will generate a global market worth £11bn. Specialist 5G research currently undertaken at the Research Park has scope to attract very large amounts of investment from international companies (£60m in private investment has already been attracted) thereby providing a major global lead for the UK in these technologies in Guildford.</p> <p>Floor space on the existing Research Park is virtually full, so accommodating these expanded activities will depend on the development of new employment space planned at the 11 hectare extension to Surrey Research Park. Because usage of road infrastructure on the A3 and into the Guildford West area is considered by Highways England to be at full capacity, it has to be demonstrated that any additional development will not cause severe damage to the transport system before any additional sites served by the junction can be approved for development. Should development not proceed, a substantial level of international investment, for which there are very strong prospects, is likely to be deterred.</p> <p>The project is needed to unlock this major constraint. The enhanced accessibility to staff and business visitors brought about by the project will provide the functionality necessary for the 5G activities to successfully compete with other global locations, generate the investment confidence needed to attract international research operations and continue to attract leading edge innovators to the park.</p>
<p>Measures for Success:</p>	<ul style="list-style-type: none"> • Number of passengers alighting and boarding at the new Guildford West station • Increase in capacity along the A3 and on local road network resulting from modal transfer • Congestion relief at Guildford main line station • Reduction in traffic congestion on local road network • Reduction in job vacancies for local employers (including RSCH & UoS) • Improved air quality from reduced traffic congestion
<p>Viable Options and Rejection Reasons:</p>	<p>'Do nothing' - this option was rejected because it would not address fundamental local issues with the strategic and local highway that will preclude growth at the University, Hospital and Research Park and would not deliver any local social or economic benefits to the Park Barn area.</p> <p>'Other site options' - Two station site options were investigated. The western site accessed from Pink's Hill and the eastern site is close to the Egerton Road overbridge. The western station site was adjacent to Blackwell Farm which has been allocated as a strategic development site. It is immediately west of the existing Surrey Research Park and the University of Surrey's Manor Park Campus. It is linked to both with a series of footpaths.</p> <p>The eastern site is located immediately to the north of the existing hospital car park and would be accessed from Egerton Road. It has good footpath and cycle links through the local area, including to the hospital, local schools, shops and the Research Park. Pedestrian and cycle access would also be provided from the site of the former Apple Tree public house across the railway to the hospital car park. Concerns were initially identified regarding engineering constraints in this location, including track gradient and curvature, but these have been addressed to the satisfaction of Network Rail under the GRIP2 stage engineering report.</p> <p>The Strategic Outline Business Case indicated that the site next to the RSCH is the optimal option in terms of likely passenger demand and locational benefits and this is the option that has been included as a proposed allocation in the Submission Local Plan.</p>

Costs Agenda item number: 6
Appendix 3

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Option selection (GRIP Stage 3)	0	F5609	Guildford West Railway	
			N/A	N/A	75,000
2018/19	Network Rail Fees (GRIP 3)	0	F5609	Guildford West Railway	
			N/A	N/A	25,000
2018/19	Detailed option development (GRIP 4)	150,000	N/A	N/A	
			N/A	N/A	0
2019/20	Network Rail Fees (GRIP 4)	50,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£150,000	£100,000
2019/20	£50,000	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Transfer of trips from road to rail	Reduced Carbon	Travel surveys, traffic counters, gateline counts, air quality measurement	01/04/24
Reduction in congestion	Reduced Carbon	Reduction in travel times from entering periphery of Guildford town centre to arriving at destination.	01/04/24
Increase in social mobility	Improved Social Benefits	Increase in employment rates for low grade staff within vicinity at hospital, university and business park.	01/04/24

Risks

Title	Description
Financial	There is a risk that the required funding assembly for the station, consisting of contributions from both the public and private sectors, is not forthcoming.
Compliance	There is a risk that the new station does not meet Network Rail requirements. This could include not meeting engineering and operational needs, health and safety requirements during both construction and end state design, economic viability etc.
Operational	In order for the station to be effective operationally, it needs good highway links to the local roads. The land through which the roads will pass does not lie within Council ownership and consents from the land owner will be required.

Fundamental Themes

Our Economy:

10 - Very High

Agenda item number: 6

The Department of Business Innovation and Skills (BIS) is currently developing a programme of Science and Innovation Audits, whose aims will include identifying and validating areas of potential global competitive advantage across the UK, providing the basis for stronger future bids for local investment and fostering collaboration between universities and local businesses, local authorities and LEPs. Guildford can be expected to figure prominently in the base of findings generated by the audit.

This project will enable Guildford West to expand as a base of technological excellence and thereby become a hub of true worldwide significance and the major anchor point of the M3 sci-tech corridor. This will generate an increase in business rates and an increase in secondary business activity in order to support this world centre of technological excellence.

The first phase of the extension of the Research Park will be able to proceed more smoothly as businesses will benefit more and with greater benefits being felt and the project will enable delivery of 17,500 sqm of R & D floor space.

Due to the improvements, substantial inward investment from international companies involved in 5G research and downstream activity and expansions planned by local science-based companies in niche sectors will be captured. Development on two remaining plots on the existing Research Park will be able to proceed.

Given the proposed investment in the Sustainable Movement Corridor, the expansion of university faculties being planned on the Manor Park Campus is likely to be accelerated and create a wider spectrum of university facilities. Together, these would enable an increase in annual student numbers by 4,000 to be brought forward, together with organic growth of existing academic offerings. Provision of an improved access to the Research Park from the west will improve journey times getting on and off at the Park and provide relief to the Onslow junction with the A3.

A new rail station would support the exceptional growth opportunities of the Guildford West area, in particular those related to the UTC and Royal Surrey County Hospital.

The UTC at Park Barn is intended to serve a catchment 30 miles wide. With the new station, this will become conveniently accessible to students from each part of the Enterprise M3 area within this catchment, substantially increasing the prospects for take up of places.

The project will also be helpful in creating the conditions for the bringing forward of new housing investment within the proposed urban extension to the west of Guildford, this being subject to allocation in the final Local Plan and appropriate planning approvals.

Our Borough:

6 - Medium

A new railway station will through regenerating brownfield land, act to protect green belt land from further development. It will also increase accessibility to the site for users across the region.

Our Infrastructure:

10 - Very High

The proposed interventions will effectively manage traffic flows, upgrade junction capacity and provide for all modal forms of travel with the proposed Sustainable Movement Corridor from the University to the town centre. The construction of a new railway station would alleviate traffic congestion, give new transport links to residents and businesses both old and new, and support modal shift.

Our Environment:

10 - Very High

A new railway station will increase the viability of rail travel to the site for residents and businesses alike, reducing congestion and improving air quality.

Our Society:

8 - Medium to High

A new railway station will act as a gateway to the Guildford West site and act as a local point for increased investment. This will contribute towards the creation of a sustainable community at this location, no longer dependent on car travel. It will allow access to new opportunities such as training and jobs markets for members of the Park Barn community, an area of social deprivation.

Your Council:

6 - Medium

Fundamental Themes Total: 50**Other Category Themes**

Asset Management: 0 - None
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Business Case: 2 - Low

Health and Safety / Statutory Requirement: 10 - Very High

Service Delivery: 0 - None

Third Party Funding: 10 - Very High

Other Themes Total: 22

Themes Total: 72

Bid for Funding: Feasibility Study into Decking of Millbrook Car

Project Name:	<input type="text" value="Feasibility Study into Decking of Millbrook Car Park & Implementation"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="177"/>	
Project Description:	<input type="text" value="Provision of a first floor deck above the existing public car park to deliver an additional circa 80 parking spaces (net)"/>		
Project / Programme Manager:	<input type="text" value="Rob Curtis"/>	Ward:	<input type="text" value="Friary St. Nicolas Ward"/>
Senior Responsible Officer:	<input type="text" value="Zac Ellwood"/>	Directorate:	<input type="text" value="Development"/>
Corporate Plan Theme:	<input type="text" value="Our Infrastructure"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/04/2018"/>	Exempt VAT Implications:	<input type="text" value="No"/>
Target Completion Date:	<input type="text" value="31/12/2018"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:	Executive support and project mandate Agenda item number: 6 SCC support Appendix 3 Existing right of access will not impinge on construction of decking Capital funding will be made available
Changes / Effects:	Feasibility study will identify if project can go ahead
Measures for Success:	Feasibility Study delivered on time and within budget Definitive approach for taking project forward identified
Viable Options and Rejection Reasons:	Do nothing - rejected because of need to reduce pressure on gyratory and to compensate for any town centre parking as may be lost elsewhere Go straight to planning and then design & build phase - rejected because of site constraints and need to understand if scheme is feasible before spending significant amounts on detailed design

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Commission Feasibility Study consultancy	0	N/A	N/A	
			N/A	N/A	80,000
2019/20	Design, planning, project management, contractors, construction	2,000,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£0	£80,000
2019/20	£2,000,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	Net additional car parking receipts	0	125,000
2020/21	Net additional car parking receipts	0	250,000
2021/22	Net additional car parking receipts	0	260,000
2022/23	Net additional car parking receipts	0	270,000
2023/24	Net additional car parking receipts	0	280,000

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
------	-------------------	-------------------

2019/20	0	125,000
2020/21	0	250,000
2021/22	0	260,000
2022/23	0	270,000
2023/24	0	280,000

Agenda item number: 6
Appendix 3

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Reduced pressure on gyratory	Reduced Carbon	Assessment of traffic flows	01/04/20
Support for local economy & shoppers	Improved Customer Satisfaction		

Fundamental Themes

Our Economy: 8 - Medium to High

Our Borough: 8 - Medium to High

Our Infrastructure: 8 - Medium to High

Our Environment: 4 - Low to Medium

Our Society: 8 - Medium to High

Your Council: 8 - Medium to High

Fundamental Themes Total: 44

Other Category Themes

Asset Management: 6 - Medium

Business Case: 8 - Medium to High

Health and Safety / Statutory Requirement: 0 - None

Service Delivery: 0 - None

Third Party Funding: 0 - None

Other Themes Total: 14

Themes Total: Agenda item number: 6
58
Appendix 3

Bid for Funding: Replacement of Pay on Foot Equipment in Castle,

Project Name:	Replacement of Pay on Foot Equipment in Castle, Tunsgate, York Road and Farnham Road car parks		
Project Code:	2017		181
Project Description:	To specify , procure and install new pay on foot equipment in Castle, Tunsgate, York Road and Farnham Road car parks which will provide the benefits of Automatic Number plate recognition PR .		
Project / Programme Manager:	Kevin McKee	Ward:	Holy Trinity Ward
Senior Responsible Officer:	Robert Crane	Directorate:	Environment
Corporate Plan Theme:	Your Council	Confidential:	No
Expected Start Date:	01/04/2018	Exempt VAT Implications:	
Target Completion Date:	01/10/2020	Grant access to someone:	

Drivers and Objectives: Our current pay on foot system will be 10 years old in 2020 and the original maintenance agreement will expire. We could continue with the existing system but technology has advanced. There are now different options like on-line accounts and smarter technology for managing entry, exit and payments. The council is also looking at new car parking options for Bedford Road and Leapale Road and building a new car park in Guildford Park. By tendering for a new modern system we will be able to put the latest technology into these car parks when the developments are completed.

Background Information: Our current pay on foot system works well. It provides options to pay with coins, notes and credit/debit cards and provides change in coins and notes. Season ticket holders have proximity cards which allow enter and exit by waving the card near a reader. The system includes a pre-payment card which works like an "oyster card" and allows regular users to come and go and the payment is deduct from a balance held against the card. When the driver needs to add more credit they can top-up their card using a pay station in the car park. We also tried Automatic Number Plate Recognition (ANPR) but the read rate was lower than expected and there were other issues so the system was never accepted.

With a new system we can relook at ANPR. We can also introduce new methods of payment, for example wave and pay and on line accounts for regular users. Some systems are being developed to recognise the signature from a mobile phones or mobile devices and these can be used to record entry and exit times rather than machine issued tickets or tokens. There are also developments looking at lower charges for less polluting vehicles.

Project / Programme Objectives: Initial project plan
 Market Research and market testing - April 2018 to November 2018
 Design specification and scoring criteria - December 2018 -May 2019
 Issue PQQs - June 2019
 Evaluate PQQS - July 2019
 Issue Tender Documents - August 2019
 Evaluate returned tenders - September-October 2019
 Award contract - November 2019
 Mobilise - December 2019 - February 2020
 Implement

Implications: There maybe TUPE implications between the old and new contractor as the current contractor has a full time engineer on site.

We need to manage the implementation to ensure maximum availability of parking space during the work

Easier ways to pay could reduce the number of cash collections needed

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning
Permission
Required:

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Building
Regulation
Required:

No

Details of Other
Required
Consents:

None

Constraints:

There are legal constraints on the way we can operate car parks and the type of systems we use.

Assumptions:

It is assumed that funding will come from the Car Park Maintenance Reserve.

Changes /
Effects:

None

Measures for
Success:

A system which supports new and effective methods of entry and exit and methods of payment. These will be added to as the specification is defined.

Viable Options
and Rejection
Reasons:

We could carry on with our existing system but this is becoming older technology. The credit/debit card acceptance system needs to be replaced. We would not be offering our customers better and more efficient ways to pay.

We could look to upgrade our existing system. We would need to use our existing supplier and be limited to the developments they will bring forward.

To get the most appropriate system a fresh procurement exercise is recommended. Our currently supplier or other suppliers could re-use equipment that still had life or could be upgraded.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Consultants/Legal Fees	15,000	N/A	N/A	
			N/A	N/A	0
2019/20	Implementation	585,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£15,000	£0
2019/20	£585,000	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Easier to use parking equipment	Improved Customer Satisfaction	Compliments, customer loyalty	03/03/20

Risks

Title	Description
non-delivery of elements of the specification	With any new technology there is a risk that the system does not perform in the way expected. There is a balance between using tested systems and ensuring a new system is as advanced as possible.

Fundamental Themes

- Our Economy:**
- Our Borough:**
- Our Infrastructure:**
- Our Environment:**
- Our Society:**
- Your Council:**

Fundamental Themes Total:

Other Category Themes

- Asset Management:**
- Business Case:**
- Health and Safety / Statutory Requirement:**
- Service Delivery:**
- Third Party Funding:**

Other Themes Total:

Themes Total:

Agenda item number: 6
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Bid for Funding: Structural Repairs to Multi Storey Car Parks



Project Name:

Project Code:

Project Description:

Project / Programme Manager: **Ward:**

Senior Responsible Officer: **Directorate:**

Corporate Plan Theme: **Confidential:**

Expected Start Date: **Exempt VAT Implications:**

Target Completion Date: **Grant access to someone:**

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

Measures for Success:

Identifying issues early and avoiding more serious structural or health and safety issues in the multi storey car parks.

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Viable Options and Rejection Reasons:

We must ensure the car parks are safe. We could defer non urgent repairs but this is likely to lead to them becoming worse and lead to higher costs for future repairs.

We could look at rebuilding some of the multi storeys but this is a very expensive option which will disrupt parking while the work is undertaken. The reduction in maintenance costs would not off set the cost of rebuilding and so there is currently no business case to support such action.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Remedial works	200,000	N/A	N/A	
			N/A	N/A	0
2019/20	Remedial works	100,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£200,000	£0
2019/20	£100,000	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Well maintained car parks and increased customer satisfaction	Improved Customer Satisfaction	All defects repaired	01/04/20

Risks

Title	Description
	The risks will be fully assess when the full nature of the work is determined by the structural surveys

Fundamental Themes

Our Economy:	6 - Medium	The car parks provide an important access to the town and support the economy
Our Borough:	6 - Medium	The multi storey car parks support the renewal of the town centre and are important to the development of North Street and other business led developments in the town centre.
Our Infrastructure:	6 - Medium	The continued maintenance of the multi storey car parks to a high standard supports the aims of the Parking Strategy and provides important infrastructure to help tackle congestion.
Our Environment:	0 - None	

Our Society: 4 - Low to Medium
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Appendix 3
The provision of quality, accessible car parks provides vital access to people with mobility difficulties and other issues.

Your Council: 6 - Medium

Maintaining the car parks in a good condition reduces future costs of repair and protects the income the council receives from parking.

Fundamental Themes Total: 28

Other Category Themes

Asset Management: 8 - Medium to High

The multi storey car parks are major assets and need to be maintained.

Business Case:

Health and Safety / Statutory Requirement: 8 - Medium to High

We must maintain the car parks so they are safe.

Service Delivery: 6 - Medium

Failing to maintain the car parks can lead to more severe problems and result in a reduction in service delivery.

Third Party Funding:

Other Themes Total: 22

Themes Total: 50

Bid for Funding: Shawfield Day Centre

Project Name:	<input type="text" value="Shawfield Day Centre"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="197"/>	
Project Description:	<input type="text" value="Rewire including replacement fire alarm system & upgrading lighting to LED"/>		
Project / Programme Manager:	<input type="text" value="Jonathan Richards"/>	Ward:	<input type="text" value="Ash and South Tongham Ward"/>
Senior Responsible Officer:	<input type="text" value="Helen Buck"/>	Directorate:	<input type="text" value="Community"/>
Corporate Plan Theme:	<input type="text" value="Your Council"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/10/2018"/>	Exempt VAT Implications:	<input type="text" value="Yes"/>
Target Completion Date:	<input type="text" value="01/01/2019"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:	<input type="text" value="Health & Safety - compliance with current electrical standards & periodic inspection report - existing electrical system is over 40 years old
Fire strategy & protection - ensure fire alarm system is compliant & protects building & occupants
Energy efficiency - installation of LED lighting"/>
Background Information:	<input type="text" value="Periodic electrical reports have highlighted that the 30 year old electrical installation requires replacement to current standards. It has had many alterations hence the recommendation for replacement.

The current fire alarm system has become unreliable & also needs to be replaced to comply with current standards to ensure a high standard of fire safety & asset protection. The existing installation comprises of 2 separate systems which need to be replaced with a single one for effective operation & management.

Lighting needs to be updated to LED to increase effectiveness & reduce energy usage"/>
Project / Programme Objectives:	<input type="text" value="To provide a safe, effective & maintainable electrical installation
To provide a single, reliable fire alarm system to the Centre.
To provide energy efficient, effective LED lighting"/>
Implications:	<input type="text" value="Renewal of the electrical installation including the fire alarm system is required to provide compliant, reliable systems, maintaining high standards of safety & fire strategy compliance.

Upgrading the lighting to more effective & energy efficient LED units will reduce operational energy costs.

The works will ensure safety for staff & users of the facility & provide a compliant, maintainable operational asset for the Council"/>
Legal / Statutory Requirement:	<input type="text" value="No"/>
Legislative / Statutory Implications:	<input type="text"/>
Planning Permission Required:	<input type="text" value="No"/>
Building Regulation Required:	<input type="text" value="No"/>
Details of Other Required Consents:	<input type="text" value="N/a"/>
Constraints:	<input type="text" value="Operational building to be maintained during works
Potential affect on some service provision & works need to be programmed around management of facility"/>

Assumptions:	Ability to carry out works around operational facility Agenda item number: 6
Changes / Effects:	Appendix 3 Fully compliant & effective electrical & fire alarm installation Effective lighting output & energy savings through LED
Measures for Success:	Reduction in maintenance costs & call outs LED lighting - energy efficient - reduction in utility costs
Viable Options and Rejection Reasons:	No viable alternative If works are not carried out this could result in increased risk of electrical safety incident/failure of system, failure of fire alarm leading to risk of life/asset. In addition maintenance costs will increase due to the age of the systems. Parts for systems will become obsolete & prevent effective repair.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Rewire, new alarm, LED lighting	75,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	7,500	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£82,500	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	energy saving estimate LED	0	2,000
2020/21	energy saving estimate LED	0	2,000
2021/22	energy saving estimate LED	0	2,000
2022/23	energy saving estimate LED	0	2,000
2023/24	energy saving estimate LED	0	2,000

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2019/20	0	2,000
2020/21	0	2,000
2021/22	0	2,000
2022/23	0	2,000
2023/24	0	2,000

Non Financial Benefits

Agenda item number: 6

Appendix 3

Expected
Delivery Date

Title	Category	Measure	Expected Delivery Date
LED lighting	Reduced Carbon	reduction in electricity usage	01/04/20

Risks

Title	Description
-------	-------------

Fundamental Themes

Our Economy: 0 - None

Our Borough: 0 - None

Our Infrastructure: 0 - None

Our Environment: 6 - Medium

energy efficient LED lighting

Our Society: 2 - Low

Your Council: 0 - None

Fundamental Themes Total: 8

Other Category Themes

Asset Management: 10 - Very High
replacement of M&E services at end of life span

Business Case: 0 - None

Health and Safety / Statutory Requirement: 8 - Medium to High
Electrical installation at the end of functional life span & effectiveness
Replacement of 2 outdated fire alarm system with a single effective installation

Service Delivery: 6 - Medium
Proposed works will allow facility to continue to provide an effective community service

Third Party Funding: 0 - None
Nil

Other Themes Total: 24

Themes Total: 32

Agenda item number: 6
Appendix 3

Bid for Funding: Sutherland Memorial Park - rewire & separate electrical



Project Name:	<input type="text" value="Sutherland Memorial Park - rewire & separate electrical services"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="198"/>	
Project Description:	<input type="text" value="Separation of supplies & rewiring of the electrical installation into 3 buildings/areas to the Sutherland Memorial Park site."/>		
Project / Programme Manager:	<input type="text" value="Jonathan Richards"/>	Ward:	<input type="text" value="Worplesdon Ward"/>
Senior Responsible Officer:	<input type="text" value="Helen Buck"/>	Directorate:	<input type="text" value="Environment"/>
Corporate Plan Theme:	<input type="text" value="Your Council"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/09/2018"/>	Exempt VAT Implications:	<input type="text" value="Yes"/>
Target Completion Date:	<input type="text" value="01/11/2018"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives: To upgrade the existing electrical installation & separate the electrical services into 3 sections for the 3 separate user groups as per Client requirements.
The primary reason for separation being the ability to recharge accurately the 2 external users who occupy the same building & use the same power supply.

Background Information: The electrical installation requires upgrading & at the same time the Client requirement for separation of the electrical services can be achieved. The service will be split into 3 sections for the 3 user groups as follows -
Social Club
Bowling Club
GBC managed area

The current wiring is over 30 years old & requires upgrading

Project / Programme Objectives: To provide an upgraded reliable electrical system which allows utility usage costs to be fairly allocated to the appropriate users.

One of the main Client issues is being able to recharge the use of the supply to the different users. There are three tenants – Burpham Bowling Club, Sutherland Memorial Park Amenities Club and GBC all occupying the same building and using the same power supply. Under the lease each party is responsible for paying for their element of use, this is often a point of contention as no party is able to justify what they have used or manage what they use. Significant issues are caused to the Client department enforcing the leases

Implications: Failure to carry out could lead to increased unreliability of the installation & inability to fairly allocate utility usage costs

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:	Works need to be carried out outside busy seasonal times in liaison with Client
Assumptions:	Ability to work around operation of site & users
Changes / Effects:	Upgraded compliant system, able to allow separate electric utility charging to user groups
Measures for Success:	Provides easier management of site charges & billing administration for Client
Viable Options and Rejection Reasons:	If project is not carried out - issues with user groups & Client charges for energy usage will continue to be difficult to administer - potential for GBC to incur more costs if unable to recharge/dispute fairly

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Upgrade & separate electrical system	35,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	3,500	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£38,500	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
separation & management of utility charges to users	Improved Income Generation	comparison with previous bill records	
reduction in administration	Reduced Processing Time		

Fundamental Themes

Our Economy:	0 - None
Our Borough:	0 - None
Our Infrastructure:	0 - None
Our Environment:	2 - Low
	May reduce usage due to accurate billing
Our Society:	0 - None

Your Council: Agenda Item number:

Appendix 3

Fundamental Themes Total:

Other Category Themes

Asset Management:

Upgrade to asset installation
Improves asset management for the Client

Business Case:

Health and Safety / Statutory Requirement:

Service Delivery:

Improves service to users
Provides improved asset management for the Client

Third Party Funding:

Other Themes Total:

Themes Total:

Bid for Funding: Park Barn Day Centre - install new Air Source

Project Name:	<input type="text" value="Park Barn Day Centre - install new Air Source heating system"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="200"/>	
Project Description:	<input type="text" value="Replacement of existing heating & hot water system with Air Source Heat Pump technology"/>		
Project / Programme Manager:	<input type="text" value="Jonathan Richards"/>	Ward:	<input type="text" value="Westborough Ward"/>
Senior Responsible Officer:	<input type="text" value="Helen Buck"/>	Directorate:	<input type="text" value="Community"/>
Corporate Plan Theme:	<input type="text" value="Our Environment"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/06/2018"/>	Exempt VAT Implications:	<input type="text" value="Yes"/>
Target Completion Date:	<input type="text" value="31/07/2018"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives: To replace an inefficient heating & hot water system coming to the end of its asset life with green technology Air Source Heat Pump system. Proposed system will be energy efficient reducing utility costs & providing a government grant payback over 7 years

Background Information: Current system is at the end of asset life & has compromised reliability due to age. The new ASHP system will be reliable & provide energy efficient heating & hot water to the centre.
 Air Source Heat Pump systems capture heat from the outside air throughout the year & concentrate it for use inside the building. - this heat is used to raise the temperature of the circulating water in the radiator system. Heat pumps work on a similar basis to refrigerators & air conditioning units.

Project / Programme Objectives: To provide a reliable heating & hot water supply to a community facility, with the advantage of utility costs being reduced by 50%

Implications: Current system needs to be renewed due to asset age & reliability issues. Failure to do so could result in closure of the facility due to breakdowns.
 Installation of ASHP technology will reduce heating/hot water electric utility costs by 50%

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

Measures for Success:

Energy savings, reduction in maintenance/call out costs
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Appendix 3

Viable Options and Rejection Reasons:

Retaining existing system will mean

- increased maintenance & break down costs, failure of system affects the use of the community facility.
- loss of an opportunity to make energy savings on utility costs, install renewable green energy system & reduce Carbon footprint.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	new ASHP system	130,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	13,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£143,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	annual saving on gas utility bill costs	0	4,000
2019/20	feed in tariff pay back for renewable energy system	18,500	0
2020/21	renewable heating incentive pay back	18,500	0
2021/22	renewable heating incentive pay back	18,500	0
2022/23	renewable heating incentive pay back	18,500	0
2023/24	renewable heating incentive pay back	18,500	0
2024/25	renewable heating incentive pay back	18,500	0
2025/26	renewable heating incentive pay back	18,500	0

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
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2019/20	18,500	4,000	Agenda item number: 6 Appendix 3
2020/21	18,500	0	
2021/22	18,500	0	
2022/23	18,500	0	
2023/24	18,500	0	
2024/25	18,500	0	
2025/26	18,500	0	

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
renewable energy system	Reduced Carbon		31/03/19
reduction break downs & more controllable system for facility	Improved Service Provision	good customer/staff feedback	01/11/18

Risks

Title	Description
If project not carried out -failure of heating/hot water system	Loss of community facility use
If project not carried out -	Loss of energy saving & renewable energy incentive pay back

Fundamental Themes

Our Economy:	0 - None
Our Borough:	6 - Medium Green renewable energy - environmentally friendly
Our Infrastructure:	0 - None
Our Environment:	10 - Very High Green renewable energy - environmentally friendly
Our Society:	2 - Low Community Centre benefit to users
Your Council:	0 - None

Fundamental Themes Total: 18

Other Category Themes

Asset Management:	10 - Very High Renewal of unreliable heating/hw system with new green energy installation
Business Case:	0 - None

Health and Safety / Statutory Requirement:

Appendix 3

Requirement:

Service Delivery:

Third Party Funding:

Other Themes Total:

Themes Total:

Bid for Funding: Millmead House - M&E plant renewal

Project Name:	<input type="text" value="Millmead House - M&E plant renewal"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="201"/>	
Project Description:	<input type="text" value="Replace kitchen & staff toilets extract & ventilation plant"/>		
Project / Programme Manager:	<input type="text" value="Jonathan Richards"/>	Ward:	<input type="text" value="Friary St. Nicolas Ward"/>
Senior Responsible Officer:	<input type="text" value="Helen Buck"/>	Directorate:	<input type="text" value="Resources"/>
Corporate Plan Theme:	<input type="text"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/08/2018"/>	Exempt VAT Implications:	<input type="text" value="No"/>
Target Completion Date:	<input type="text" value="01/11/2018"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives: Original plant is now life expired. Extraction to the kitchen & staff toilets needs to be replaced. The kitchen plant needs to be reconfigured for current new area/use- this work was not included in the original major refurbishment project

Background Information: The kitchen & staff toilets ventilation & extract systems need to be replaced. They are life expired & the kitchen plant needs to be reconfigured to suit the new restaurant facility.
 The work is required to ensure the systems are maintainable & to avoid unnecessary breakdown which affects the operation of the office facilities.

Project / Programme Objectives: To replace life expired M&E ventilation & extraction plant to the kitchen & staff toilet areas. To reconfigure kitchen ventilation plant to suit new restaurant facility

Implications: M&E works with regard to ventilation plant are required to ensure continued service operation of the Council kitchen/restaurant & toilet facilities.
 Failure to upgrade could lead to breakdown & increased maintenance costs

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints: Operational building to be maintained during the works - adherence to health & safety & protection of visitors/staff. Potential effect on some service provision in restaurant to allow work to be carried out. Project to be programmed around the management of building.

Assumptions: Ability to carry out works during operational times, with some out of hours working (eg late evenings)

Changes / Effects: Effective M& E ventilation & extraction to the kitchen & staff toilet facilities.
 Reduction in breakdown & maintenance

Measures for Success:

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 Reduction in maintenance costs & call outs.
 Reliable ventilation & extraction to kitchen & staff toilet areas

Appendix 3

Viable Options and Rejection Reasons:

Works could be delayed but this would lead to increased breakdowns/call outs & potential ventilation/extraction system failure.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Replacement ventilation & extraction plant	30,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal/external fees	3,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£33,000	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
reduction in maintenance costs	Reduced Asset Costs	maintenance records	

Risks

Title	Description
ventilation plant system failure	high revenue cost to repair existing systems

Fundamental Themes

Our Economy:

Our Borough:

Our Infrastructure:

Our Environment:

Our Society:

Your Council:

Fundamental Themes Total:

Agenda item number: 6
Appendix 3

Other Category Themes

Asset Management:	<input type="text" value="10 - Very High"/>
	<input type="text" value="replacement of essential M&E plant at the end of its life span & suitability"/>
Business Case:	<input type="text" value="0 - None"/>
Health and Safety / Statutory Requirement:	<input type="text" value="2 - Low"/>
	<input type="text" value="Allows effective continued operation of offices & public service facility"/>
Service Delivery:	<input type="text" value="4 - Low to Medium"/>
	<input type="text" value="Allows effective continued operation of offices & public service facility"/>
Third Party Funding:	<input type="text" value="0 - None"/>

Other Themes Total:

Themes Total:

Project Name:

Project Code:

Project Description:

Project / Programme Manager: **Ward:**

Senior Responsible Officer: **Directorate:**

Corporate Plan Theme: **Confidential:**

Expected Start Date: **Exempt VAT Implications:**

Target Completion Date: **Grant access to someone:**

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

Measures for Success:

Viable Options and Rejection Reasons:

Not considered, as this project only has benefits.

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Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Prive wire installed and connected	85,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£85,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2018/19	Part year 1	0	9,000
2019/20	Year 2 and every year onwards	0	11,700

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	0	9,000
2019/20	0	11,700

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Reduction in energy purchasing	Improved Income Generation	Budgets going forward	01/08/18
Less electricity purchased	Reduced Carbon		01/08/18

Risks

Title	Description
H&S	Initial installation stages whils cables are being installed

Fundamental Themes

Our Economy: 6 - Medium

Our Borough: 6 - Medium

Setting a good example of how to use sustainable energy

Our Infrastructure: Agenda Item number: 6

Appendix 3

Our Environment:

Our Society:

Your Council:

Fundamental Themes Total:

Other Category Themes

Asset Management:

Business Case:

Health and Safety / Statutory Requirement:

Service Delivery:

Third Party Funding:

Other Themes Total:

Themes Total:

Bid for Funding: Sutherland Memorial Park - Air Source Heat Pump

Project Name:	Sutherland Memorial Park - Air Source Heat Pump heating system		
Project Code:	2017		207
Project Description:	Replacement of electric heating with an Air Source Heat Pump system		
Project / Programme Manager:	Jonathan Richards	Ward:	Worplesdon Ward
Senior Responsible Officer:	Helen Buck	Directorate:	Environment
Corporate Plan Theme:	Our Environment	Confidential:	No
Expected Start Date:	01/09/2018	Exempt VAT Implications:	Yes
Target Completion Date:	01/10/2018	Grant access to someone:	

Drivers and Objectives: To replace an inefficient heating system coming to the end of its asset life with a green technology Air Source Heat Pump installation. Proposed system will be energy efficient reducing utility costs & providing a renewable heating government incentive payback over 7 years

Background Information: Current system is at the end of its asset life & has compromised reliability & poor controls. The new ASHP system will be reliable, controllable & provide energy efficient heating to the site.
Air Source Heat Pump systems capture heat from the outside air throughout the year & concentrate it for use inside the building. - this heat is used to raise the temperature of the circulating water in the radiator system. Heat pumps work on a similar basis to refrigerators & air conditioning units.

Project / Programme Objectives: To provide reliable & controllable heating to the facility, with the advantage of utility revenue costs being reduced by 50% and a 7yr payback on the cost of the scheme
The proposal is to have 3 separate systems to the following areas
Social Club
Bowls Club
GBC managed areas

Implications: Current system needs to be renewed due to asset age, reliability & controls issues. Failure could affect facility due to breakdowns

Legal / Statutory Requirement: No

Legislative / Statutory Implications:

Planning Permission Required: No

Building Regulation Required: No

Details of Other Required Consents: Siting of air fan units will need to be agreed due to size/location

Constraints: Works need to be carried out during the Summer season & whilst the facility is in operation

Assumptions:	Utility bill revenue cost savings of approx. 50% per year Renewable heat incentive - pay back over 7 years
Changes / Effects:	Energy savings Increased control & improved heating system
Measures for Success:	Energy savings, reduction in maintenance/call out costs
Viable Options and Rejection Reasons:	Retaining existing system will mean <ul style="list-style-type: none"> • increased maintenance & break down costs • heating failure • Loss of opportunity to make energy savings on utility costs & install renewable green energy system Replacement with a standard electric system <ul style="list-style-type: none"> • loss of opportunity to make energy savings on utility costs & install renewable green energy system • loss of pay back on full installation

Costs					
Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	new ASHP heating system	25,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	2,500	N/A	N/A	
			N/A	N/A	0
Costs Totals					
Year	Capital Total (£)	Revenue Total (£)			
2018/19	£27,500	£0			

Financial Benefits			
Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	Estimated 50 % reduction in utility cost	0	4,000
2019/20	Feed in tariff renewable heating incentive pay back	3,570	0
2020/21	Feed in tariff renewable heating incentive pay back	3,570	0
2021/22	Feed in tariff renewable heating incentive pay back	3,570	0
2022/23	Feed in tariff renewable heating incentive pay back	3,570	0
2023/24	Feed in tariff renewable heating incentive pay back	3,570	0
2024/25	Feed in tariff renewable	3,570	0

heating incentive pay back

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2025/26

Feed in tariff renewable heating incentive pay back

3,570

0

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2019/20	3,570	4,000
2020/21	3,570	0
2021/22	3,570	0
2022/23	3,570	0
2023/24	3,570	0
2024/25	3,570	0
2025/26	3,570	0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
renewable energy system	Reduced Carbon		
reduction in break downs & more controllable system for facility	Reduced Asset Costs		

Risks

Title	Description
If project not carried out - failure of heating	Affect on operational facility
If project not commissioned	Loss of potential energy saving & renewable energy incentive pay back

Fundamental Themes

Our Economy: 0 - None

Our Borough: 6 - Medium

Green renewable energy - environmentally friendly

Our Infrastructure: 0 - None

Our Environment: 10 - Very High

Green renewable energy - environmentally friendly

Our Society: 0 - None

Your Council: 0 - None

Fundamental Themes Total: 16
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Other Category Themes

Asset Management: 10 - Very High
Renewal of unreliable heating/hw system with new green energy installation

Business Case: 0 - None

Health and Safety / Statutory Requirement: 2 - Low
Statutory requirement to heat areas to minimum temperature

Service Delivery: 4 - Low to Medium
Reliable & controllable system required to operate facility

Third Party Funding: 0 - None

Other Themes Total: 16

Themes Total: 32

Bid for Funding: Stoke Park Masterplan Professional Fees and

Project Name:	<input type="text" value="Stoke Park Masterplan Professional Fees and enabling costs"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="210"/>	
Project Description:	<input type="text" value="Following the Stoke Park Masterplan, the Council need to appoint a Landscape Architect led design team to include, Architect, Civil Engineers, Quantity Surveyor, Structural Engineer, Mechanical and Electrical Engineers, Project Manager and Ecologists to produce the masterplan and associated professional information. This funding bid is for the whole team to enable the project to be implemented in stages to avoid multiple procurement exercises and ensure continuity of the professional team throughout the project"/>		
Project / Programme Manager:	<input type="text" value="Paul Stacey"/>	Ward:	<input type="text" value="Christchurch Ward"/>
Senior Responsible Officer:	<input type="text" value="Peter O Connell"/>	Directorate:	<input type="text" value="Environment"/>
Corporate Plan Theme:	<input type="text" value="Our Infrastructure"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/11/2018"/>	Exempt VAT Implications:	<input type="text" value="Yes"/>
Target Completion Date:	<input type="text" value="01/04/2025"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

Key drivers:

- The production of the Stoke Park Masterplan is a corporate plan target as follows:
 'In consultation with existing users and other stakeholders, produce a masterplan for Stoke Park to make it a vibrant community park and visitor destination'
- In 2017 the Council is undertaking the largest consultation ever done on Stoke Park to establish the needs and wishes of the community and visitors. Once complete and assessed this will form part of the brief along with internal service requirements to tender to a design team.
- Much of the fabric of Stoke Park is in need of investment as the park approaches its centenary year in 2025 so work is required to understand this in detail along with how this should be incorporated in to a revitalised park meeting community needs.
- The masterplan will enable GBC to undertake feasibility work on potential income generating opportunities such as catering and events to establish their viability and options for delivery.
- To establish the financial costs and options and opportunities to access external funding
- This will support the Councils work maintaining the sites Green Flag status

Background Information:

Stoke Park is Guildford Borough Councils largest park and one of the largest public parks in the county of Surrey. The site has been a green flag award winning park for over 10 years, the national standard for parks. The site is some 57 hectares in size.

The site is home to a number of clubs and community organisations and the home of the Surrey County Show. The number of visits made is in the region of 750,000 per annum. The site has a number of facilities and important amenities such as sports pitches, play area, toilets, paddling pool, mini golf. The site is also of heritage and cultural importance containing the remnants of the former Stoke Park parkland, victorian model farm, and walled garden.

The park became a public pleasure ground in 1925 when it was acquired by the guildford corporation and has remained as the green lung of Guildford ever since. Approaching 100 years old some areas of the park are in need of significant investment through wear and tear and the process of time. The town of Guildford has grown, in size and population along with the needs of society, therefore to guide future investment to ensure it meets peoples needs a new masterplan needs to be developed. This is a significant task to appoint the relevant expertise to develop a masterplan, business cases, funding bids and through to delivery on the ground. It is essential that there is consistency in the professional team from start to finish to be delivered in phases and not multiple appointments for each stage of the works.

Project / Programme Objectives:

- Appoint a professional design team with the relevant skills to produce and deliver a masterplan
- Structure appointment to be called off in phases from initial feasibility work through to implementation and completion
- Deliver a new Masterplan for Stoke Park, including feasibility studies on key elements such as catering provision, options and costs

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- Deliver information to support external funding bids
- Deliver capacity to implement the masterplan
- Provide a delivery plan for implementation
- Provide technical documentation for tender and implementation

Implications:

Resource - Internal Project Management and Board required
 Financial - GBC funding required to develop plan to obtain external funding
 Reputation - Consultation under way and expectation from the community that a masterplan will be produced

Legal / Statutory Requirement:

No

Legislative / Statutory Implications:

Planning Permission Required:

Yes

Building Regulation Required:

Yes

Details of Other Required Consents:

Various other consents may be needed to implement the plan

Constraints:

- Service capacity - Parks has a number of major projects, however this is being programmed to be accommodated within them as long as a professional team can be appointed
- Spectrum 2 - Plan needs to be flexible to work with the redevelopment of spectrum leisure centre
- Funding - Availability from GBC, External Funders and Open Market

Assumptions:

That a professional team can be appointed, called off in stages from concept through to delivery

Changes / Effects:

- To provide a revitalised park that sustains and grows use by the community and visitors meeting their needs

Measures for Success:

New masterplan produced, funded and implemented

Viable Options and Rejection Reasons:

Do nothing - the park remains as it is with ongoing investment to keep in a safe condition. This will not deliver the commitment of the corporate plan, nor ensure that the park is able to meet the needs of the community and possible loss of income streams

Costs

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Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Professional Fees	100,000	N/A	N/A	
			N/A	N/A	0
2019/20	Professional Fees	100,000	N/A	N/A	
			N/A	N/A	0
2020/21	Professional Fees	150,000	N/A	N/A	
			N/A	N/A	0
2022/23	Professional Fees	150,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£100,000	£0
2019/20	£100,000	£0
2020/21	£150,000	£0
2022/23	£150,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2023/24	Income from Catering	0	25,000

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2023/24	0	25,000

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Increased visitor numbers	Improved Social Benefits	Increased visitor numbers	01/04/24
Improved customer satisfaction and feedback	Improved Customer Satisfaction	Comments and compliments, Trip advisor feedback, google feedback	01/04/24
Improved Green Flag Scores	Improved Management Information	Green Flag Assessment	01/04/24

Risks

Title	Description
Feasibility work	Feasibility work determines that a new masterplan is unfeasible
Financial	Masterplan could be financially unviable or external funding is not available or funding bids are unsuccessful

Community/reputation	Community objects to the masterplan
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Design Team	Design team fails to produce and accepted plan. Design team goes bankrupt

Fundamental Themes

Our Economy:	2 - Low	The masterplan contributes to ensuring local community facilities are available. Green spaces are shown to support the economic vitality of towns and places of work
Our Borough:	6 - Medium	Stoke Park is a key part of the Councils leisure offering and the scheme is important to ensure we protect and sustain one of the boroughs key greenspaces
Our Infrastructure:	10 - Very High	Stoke Park is a core part of the boroughs infrastructure and essential to community for health and wellbeing through the activities and facilities provided on the park
Our Environment:	10 - Very High	Stoke Park is core to providing a high quality environment in the town. It is key for climate change adaptation, conserving and enhancing biodiversity, air quality, temperature amelioration and surface water attenuation
Our Society:	8 - Medium to High	Stoke Park is essential for the community to participate in activities either through clubs and organisations or self guided activities. It is also the home to key local community events such as the county show
Your Council:	0 - None	

Fundamental Themes Total: 36

Other Category Themes

Asset Management:	8 - Medium to High	Much of the fabric of Stoke Park is in need of planned investment to ensure the site is safe and opportunities are realised where possible to reduce costs or find income such as through catering
Business Case:	6 - Medium	Hard cash options are not able to be directly assessed at this stage until feasibility work is completed. However the park is core to savings elsewhere in the public sector such as Health through ensuring it is fit for purpose and accessible
Health and Safety / Statutory Requirement:	4 - Low to Medium	The masterplan is required to ensure the fabric of the site has planned investment to keep it safe
Service Delivery:	10 - Very High	Stoke Park is core to the delivery of the parks service and other core Council Strategies, such as the Play, Sports and Health and Wellbeing Strategies
Third Party Funding:	6 - Medium	Unknown at this stage but the masterplan should lead to the opportunity to derive significant external funding from bodies such as the Heritage Lottery Fund

Other Themes Total: 34

Themes Total: 70

Bid for Funding: Parks and Countryside Roads, Paths and Car Parks

Project Name:	Parks and Countryside Roads, Paths and Car Parks Repairs and renewal funds		
Project Code:	2017		211
Project Description:	To fund a programme of repairs and renewals of paths, roads and car parks within the parks and countryside estate		
Project / Programme Manager:	Paul Stacey	Ward:	
Senior Responsible Officer:	Peter O Connell	Directorate:	Environment
Corporate Plan Theme:	Our Environment	Confidential:	No
Expected Start Date:	01/04/2018	Exempt VAT Implications:	Yes
Target Completion Date:	31/03/2022	Grant access to someone:	

Drivers and Objectives: To repair and renew parks car parks, paths and roads
 To ensure assets are safe and fit for purpose
 To support planned asset management

Background Information: Following various condition surveys undertaken by Parks and Countryside and the Engineering team across the parks and countryside estate a programme of repairs and renewals is needed to either extend life expectancy of existing surfaces, or to replace and renew them to ensure sites are safe and fit for purpose.

Key sites for repair include:
 Stoke Park - urgent repairs and extending the life expectancy of some surfaces while the masterplan is developed, funding found and implemented. Two areas, Burchatts Farm Barn and Greenark, require new design and surfacing to meet future needs.
 Allen House grounds
 Onslow Recreation ground
 Sutherland Memorial Park
 Stoughton Recreation Ground
 Shalford Park
 Castle Gardens
 Castle Cliff
 Various small green spaces
 Various Countryside sites

To give context to the cost of resurfacing, it approximately costs:
 To plane the existing surface: £2/m²
 Lay a new tarmac base course: £16/m²
 Lay a new wearing course: £12/m²
 Total: £30/m²

Therefore, as general examples without looking at site specific restrictions or issues such new kerbs and manhole covers, to:
 1. resurface the Stoke Park car park by the bowling clubs will cost £93,270 plus preliminary costs (circa additional 15%) and line marking.
 2. resurface the Footpaths, access road and car park in Stoughton Rec will cost £62,700 plus preliminary costs and line marking
 3. resurface Onslow recreation ground access road and car park will cost £27,240 plus preliminary costs and line marking

Project / Programme Objectives: To implement a programme of repairs and renewals
 To ensure the safety of users
 To improve the quality of the service provided

Implications: Financial - Significant cost
 Resource - Large demand on the Engineering team to specify and procure works

Legal / Statutory Requirement: Yes

**Legislative /
Statutory
Implications:**

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The Council is bound by the Occupiers Liability Act where it must ensure the safety of its sites and assets to both visitors and trespassers. The council supports significant amounts of visitors to our sites therefore it is important they are maintained safe

**Planning
Permission
Required:**

No

**Building
Regulation
Required:**

No

**Details of Other
Required
Consents:**

Possible drainage consents required on some sites

Constraints:

- Some sites such as Stoke Park are going through longer term planning exercises, however there is a need to repair and extend the life expectancy of some areas while this takes place. Appropriate value for money options are needed such as bitumen slurry sealing some areas
- Availability of engineers and contractors
- Bitumen prices can be volatile

Assumptions:

The costs are substantial, however the estate is large and various levels of repair and renewal are needed often in awkward and difficult sites

**Changes /
Effects:**

Safe and maintained sites which are fit for purpose

**Measures for
Success:**

**Viable Options
and Rejection
Reasons:**

Do nothing - sites unsafe to users causing the council to fail in its duty of care to users
Seek external funding - it is highly unlikely that any external funding body will fund the repair of car parks, roads and footpaths with the parks landholding.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Surfacing works	300,000	N/A	N/A	
			N/A	N/A	0
2019/20	Surfacing works	400,000	N/A	N/A	
			N/A	N/A	0
2020/21	Surfacing works	400,000	N/A	N/A	
			N/A	N/A	0
2021/22	Surfacing works	400,000	N/A	N/A	
			N/A	N/A	0
2022/23	Surfacing works	400,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

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Year	Capital Total (£)	Revenue Total (£)
2018/19	£300,000	£0
2019/20	£400,000	£0
2020/21	£400,000	£0
2021/22	£400,000	£0
2022/23	£400,000	£0

Risks

Title	Description
Resources	Availability of engineering team resources to support procurement and management of works
Bitumen prices	Bitumen prices can be volatile increasing works costs
Temporary closure of paths roads and car parks	Some temporary closures while works take place may cause limited disruption to users of sites

Fundamental Themes

Our Economy: 0 - None

Our Borough: 4 - Low to Medium

Will contribute to ensuring our open spaces are safe and fit for purpose and support their usage by residents and visitors

Our Infrastructure: 6 - Medium

Will contribute to maintaining high quality greenspace

Our Environment: 10 - Very High

Will contribute to maintaining high quality greenspace and access to it

Our Society: 4 - Low to Medium

Will support the use of our parks sites by the community and various groups that operate within them

Your Council: 0 - None

Fundamental Themes Total: 24

Other Category Themes

Asset Management: 10 - Very High

Essential to ensure assets are safe and fit for purpose

Business Case: 0 - None

Health and Safety / Statutory 8 - Medium to High
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Requirement: Essential to providing safe open spaces and meeting our obligations under Health and Safety

Service Delivery: 10 - Very High

Key to ensuring our open spaces are safe and accessible

Third Party Funding: 0 - None

Other Themes Total: 28

Themes Total: 52

Bid for Funding: Stoke Park Nursery - new Air Source heating system

Project Name:

Project Code:

Project Description:

Project / Programme Manager: **Ward:**

Senior Responsible Officer: **Directorate:**

Corporate Plan Theme: **Confidential:**

Expected Start Date: **Exempt VAT Implications:**

Target Completion Date: **Grant access to someone:**

Drivers and Objectives: To replace an inefficient heating & hot water system coming to the end of its asset life with green technology ASHP system. Proposed system will be energy efficient reducing utility costs & providing a renewable heat incentive payback over 7 years

Background Information: Current system is at the end of asset life. The new ASHP system will be paid back over 7 years (government incentive feed in tariff) & provide energy saving efficient heating & hot water to the nursery
 Air Source Heat Pump systems capture heat from the outside air throughout the year & concentrate it for use inside the building. - this heat is used to raise the temperature of the circulating water in the radiator system. Heat pumps work on a similar basis to refrigerators & air conditioning units.

Project / Programme Objectives: To provide a reliable heating & hot water supply to a community facility, with the advantage of utility costs being reduced by 50%

Implications: Current system needs to be renewed due to asset age & reliability issues. Failure to do so could result in closure of the facility due to breakdowns
 Failure to replace with ASHP would mean losing opportunity for 50% revenue utility cost saving

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

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Measures for Success:

Energy savings, reduction in maintenance/call out costs

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Viable Options and Rejection Reasons:

Retaining existing system will mean increased maintenance & break down costs, failure of the system affects the use of the facility.
 Opportunity to make energy savings on utility costs, install renewable green energy system & reduce Carbon footprint will be lost if the project is not carried out.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	new ASHP system	15,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	1,500	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£16,500	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	annual saving on utility bill 50%	0	3,800
2019/20	feed in tariff incentive pay back	2,145	0
2020/21	feed in tariff incentive pay back	2,145	0
2021/22	feed in tariff incentive pay back	2,145	0
2022/23	feed in tariff incentive pay back	2,145	0
2023/24	feed in tariff incentive pay back	2,145	0
2024/25	feed in tariff incentive pay back	2,145	0
2025/26	feed in tariff incentive pay back	2,145	0

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2019/20	2,145	3,800

2020/21	2,145	0	Agenda item number: 6 Appendix 3
2021/22	2,145	0	
2022/23	2,145	0	
2023/24	2,145	0	
2024/25	2,145	0	
2025/26	2,145	0	

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
renewable energy system	Reduced Carbon		
reduction break downs & more controllable system for facility	Improved Service Provision	good customer/staff feedback	

Risks

Title	Description
if project is not carried out	Loss of facility use if breakdown occurs, increased maintenance revenue costs
if project not carried out	Loss of energy saving & renewal energy incentive pay back

Fundamental Themes

Our Economy:	0 - None
Our Borough:	6 - Medium Green renewable energy - environmentally friendly
Our Infrastructure:	0 - None
Our Environment:	10 - Very High Green renewable energy - environmentally friendly
Our Society:	0 - None
Your Council:	0 - None

Fundamental Themes Total: 16

Other Category Themes

Asset Management:	10 - Very High Renewal of unreliable heating/hw system with new green energy installation
Business Case:	0 - None

Health and Safety / Statutory Agenda item number: 6

Requirement: Appendix 3

Service Delivery:

Third Party Funding:

Other Themes Total:

Themes Total:

Bid for Funding: Sports Pavilions - replace water heaters - Legionella

Project Name:	<input type="text" value="Sports Pavilions - replace water heaters - Legionella management project"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="213"/>	
Project Description:	<input type="text" value="Renew water heaters (calorifiers) to 14 no sites as defined by Client. Legionella risk management"/>		
Project / Programme Manager:	<input type="text" value="Jonathan Richards"/>	Ward:	<input type="text"/>
Senior Responsible Officer:	<input type="text" value="Helen Buck"/>	Directorate:	<input type="text" value="Environment"/>
Corporate Plan Theme:	<input type="text" value="Our Environment"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/04/2018"/>	Exempt VAT Implications:	<input type="text" value="Yes"/>
Target Completion Date:	<input type="text" value="31/05/2018"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

On these sites the current arrangement is for staff to regularly turn on the heaters to ensure they heat up sufficiently to destroy any bacteria, however this is open to human error which could allow for a unit to not be maintained as Appendix B. The new heaters are thermostatically controlled & this will ensure that they heat up to the correct temperatures to prevent legionella forming.

Measures for Success:

Legionella compliance
Electricity cost reduced by 20%
Positive feedback from users

Viable Options and Rejection Reasons:

Failure to carry out works will result in a potential for higher legionella infection risk.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	renewal of 14 no water heaters	140,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	14,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£154,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20	20% reduction in utility cost across 14 sites @ £200 per site	0	2,000

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2019/20	0	2,000

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
energy efficiency	Reduced Carbon		
no manual operation & attending sites by staff required	Reduced Employee Costs		

Fundamental Themes

Our Economy: 0 - None

Our Borough:

Our Infrastructure:

Our Environment:

Our Society:

Your Council:

Fundamental Themes Total:

Other Category Themes

Asset Management:

Business Case:

Health and Safety / Statutory Requirement:

Service Delivery:

Third Party Funding:

Other Themes Total:

Themes Total:

Project Name:	<input type="text" value="Millmead Fishpass"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="229"/>	
Project Description:	<input type="text" value="To create a new Fish Pass on Millmead Island to improve water quality on the River Wey"/>		
Project / Programme Manager:	<input type="text" value="Hendryk Jurk"/>	Ward:	<input type="text" value="Friary St. Nicolas Ward"/>
Senior Responsible Officer:	<input type="text" value="Peter O Connell"/>	Directorate:	<input type="text" value="Environment"/>
Corporate Plan Theme:	<input type="text" value="Our Environment"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="01/04/2019"/>	Exempt VAT Implications:	<input type="text" value="No"/>
Target Completion Date:	<input type="text" value="01/11/2019"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

- To improve water quality on the River Wey to meet the objectives of the Water Framework Directive (WFD)
- Improve the Ecological Potential of the Wey
- To improve the amenity value of Millmead Island
- To educate the community in regard of water quality
- To derive external funding and deliver a flagship project with the Environment Agency

Background Information:

For the past 4 years the Council has been working with the Environment Agency and River Wey Landscape Partnership on feasibility work to deliver a fish pass at Millmead Island to improve water quality on the River Wey. The fish pass at Millmead Island is part of a wider project to improve fish migration between the Thames and Tilford. This is intended to be flagship project in an urban area to inform the community on water quality. The EA will derive most of the funding and lead and deliver the project.

The delivery of approximately a dozen fishpasses along the Wey is part of a wider programme to improve the river catchment's ecology. The river catchment approach allows a co-ordinated improvement programme for the River Wey through the Wey Landscape Partnership by addressing various issues that affect the water quality and the riparian habitats.

The Wey Landscape Partnership exists to improve our local waters in the Wey Catchment and achieve more ambitious environmental goals under the European Water Framework Directive. Partners include Surrey Wildlife Trust, Environment Agency, Local Authorities, Thames Water, Affinity Water and Local Volunteer Groups.

The Wey Fish Pass and Wetland Delivery Project (Wey FWD) has been set up to deliver a set of priority projects, largely funded through Water Framework Directive Grant Aid. Wey FWD will deliver a multi benefit programme of works along the seven main water bodies of the Wey Corridor and links to smaller projects on the River's tributaries. Priorities are the removal of barriers to animal migration and reduction of sources of diffuse pollution.

The delivery of the Millmead Fish Pass is a key project to achieve these priorities.

Project / Programme Objectives:

- Deliver a new fish pass
- Meet targets of the Water Framework Directive: Removal of barriers to fish migration
- Improve amenity value of Millmead Island
- Deliver interpretation and education

The Environment Agency (EA) is the responsible authority for the implementation of the Water Framework Directive to improve water quality and condition in the river catchment areas in England. The EA has identified a set of measures along the River Wey that reduce pollution, improve the river's self-cleaning ability and enables fish populations to move along the length of the river. The EA is looking to install a number of fish passes at strategic structures under the umbrella of the Environment Agency and partners Wey Fishpass and Wetland Development project and the Environment Agency's Wey Weirs refurbishment project. The projects include the installation of fish passes at Millmead Island and Burpham Farm.

The proposed fish pass at Millmead Island is to be included within the EA's Wey Weirs Refurbishment project. The weir refurbishment project has identified replacement of the weir structure at Millmead in 2019.

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Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Consents Required:

Constraints:

Assumptions:

Changes / Effects:

Measures for Success:

Viable Options and Rejection Reasons:

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2019/20	Grant to Project - partner funding	60,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2019/20	£60,000	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
	<input type="text"/>		<input type="text"/>

Risks

Title	Description
Agenda item number: 6	Appendix 3
EA resources	and staff resources are required to lead and deliver the project. This could be subject to central government changes

Fundamental Themes

Our Economy:	2 - Low	Improved water quality can contribute to creating a high quality environment
Our Borough:	6 - Medium	Will improve water quality and the environment for residents
Our Infrastructure:	8 - Medium to High	Will contribute to delivering safe clean water and the wider environment
Our Environment:	10 - Very High	Will improve our open spaces and water quality Will contribute towards achieving "Good Ecological Potential" for the River Wey.
Our Society:	0 - None	
Your Council:	0 - None	

Fundamental Themes Total: 26

Other Category Themes

Asset Management:	0 - None	
Business Case:	0 - None	
Health and Safety / Statutory Requirement:	10 - Very High	The Environment Agency is charged with delivering Good ecological water quality through working with partners
Service Delivery:	6 - Medium	Will help to deliver on the Councils vision for Guildfords Countryside by improving riverside habitat Will help to deliver Corporate Plan targets for the Wey
Third Party Funding:	10 - Very High	The capital cost of the project is estimated to be £350,000, Guildford Borough Council will currently only need to contribute £60,000

Other Themes Total: 26

Themes Total: 52

Bid for Funding: Crematorium Rebuild VAT Implications

Project Name:	<input type="text" value="Crematorium Rebuild VAT Implications"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="255"/>	
Project Description:	<input type="text" value="This bid relates to the VAT implications arising from the crematorium redevelopment following advice from HMRC on our partial exemption and our tax advisors PWC"/>		
Project / Programme Manager:	<input type="text" value="Paul Stacey"/>	Ward:	<input type="text"/>
Senior Responsible Officer:	<input type="text" value="Peter O Connell"/>	Directorate:	<input type="text" value="Environment"/>
Corporate Plan Theme:	<input type="text" value="Our Infrastructure"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="09/04/2018"/>	Exempt VAT Implications:	<input type="text" value="Yes"/>
Target Completion Date:	<input type="text" value="19/08/2019"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

Measures for Success: **Agenda item number: 6**

Appendix 3

Viable Options and Rejection Reasons: Stop the project - not feasible as significant investment is needed in the crematorium to provide fit for purpose facilities
Change the project - the rebuilding of the crematorium is the most economical option for the council

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	VAT repayable on capital spend	1,023,000	N/A	N/A	
			N/A	N/A	0
2018/19	VAT repayable on spend	0	N/A	N/A	
			N/A	N/A	153,457
2019/20	Vat repayable on spend	0	N/A	N/A	
			N/A	N/A	159,596
2019/20	VAT repayable on capital spend	669,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£1,023,000	£153,457
2019/20	£669,000	£159,596

Fundamental Themes

Our Economy:

Our Borough:

Our Infrastructure:

Our Environment:

Our Society:

Your Council:

Fundamental Themes Total:

Other Category Themes

Asset Management:

Business Case:

Health and Safety / Statutory Requirement:

Service Delivery:

Third Party Funding:

Other Themes Total:

Themes Total:

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Bid for Funding: Old Manor House - Replacement of windows



Project Name:

Project Code:

Project Description:

Project / Programme Manager: **Ward:**

Senior Responsible Officer: **Directorate:**

Corporate Plan Theme: **Confidential:**

Expected Start Date: **Exempt VAT Implications:**

Target Completion Date: **Grant access to someone:**

Drivers and Objectives:

Background Information:

Project / Programme Objectives:

Implications:

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

Details of Other Required Consents:

Constraints:

Assumptions:

Changes / Effects:

Improvement to the aesthetic appearance of the building

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Measures for Success:

Reduced energy costs for residents
Resident feedback

Viable Options and Rejection Reasons:

If the windows are not replaced they will become harder to repair & will need reactive maintenance or replacement over time.
Increased revenue costs & complaints from residents with regards to heat loss & poor operation.

Costs

Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	replacement windows	175,000	N/A	N/A	
			N/A	N/A	0
2018/19	internal fees	17,500	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£192,500	£0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
energy efficient windows	Reduced Carbon		
reduced maintenance & repairs	Reduced Asset Costs		

Fundamental Themes

Our Economy: 0 - None

Our Borough: 0 - None

Our Infrastructure: 0 - None

Our Environment: 6 - Medium

Energy efficient DG units

Our Society: 0 - None

Your Council: 0 - None

Fundamental Themes Total: 6

Other Category Themes

Appendix 3

Asset Management: 10 - Very High

Replacement of defective windows

Business Case: 0 - None

Health and Safety / Statutory Requirement: 0 - None

Service Delivery: 0 - None

Third Party Funding: 0 - None

Other Themes Total: 10

Themes Total: 16

Bid for Funding: A331 Hotspots

Project Name:	<input type="text" value="A331 Hotspots"/>		
Project Code:	<input type="text" value="2017"/>	<input type="text" value="111"/>	
Project Description:	<input type="text" value="Addressing two 'hotspots' or congestion on the A331: 1) The junction of the A331 with A31 a roundabout which suffers from queuing on the A31 and A331 during peaks. 2) The junction of the A331 with the A323 a grade-separated roundabout over the A323 which suffers from queuing at peaks and is likely to worsen giving forthcoming developments in the area."/>		
Project / Programme Manager:	<input type="text" value="Rob Curtis"/>	Ward:	<input type="text" value="Ash and South Tongham Ward"/>
Senior Responsible Officer:	<input type="text" value="Zac Ellwood"/>	Directorate:	<input type="text" value="Development"/>
Corporate Plan Theme:	<input type="text" value="Our Infrastructure"/>	Confidential:	<input type="text" value="No"/>
Expected Start Date:	<input type="text" value="23/07/2017"/>	Exempt VAT Implications:	<input type="text" value="No"/>
Target Completion Date:	<input type="text" value="30/06/2020"/>	Grant access to someone:	<input type="text"/>

Drivers and Objectives: Reduce congestion on key route into Guildford (A31) and A331/A323
Improve Air Quality
Improve Road Safety

Background Information: The A331/A31 roundabout junction at the southern end of the Blackwater Valley Road and the next junction to the north, a grade-separated interchange with A323, have long suffered capacity issues, particularly during weekday peak periods. This impacts the local roads but also creates queues from slip roads onto fast moving traffic lanes on A331 southbound and A31 westbound creating wider queuing and safety issues. These junctions have been identified in the traffic analysis for the Local Plan as being two of the short list of Hotspots to be addressed. As these are weekday peak period issues, it is proposed that peak hour part signalisation of these junctions is implemented as the main issues are imbalance of traffic flows which the current give-way arrangements are ineffective at providing a balanced reduced delay.

This scheme is part of the £12.5m bid to the EM3 LEP provisionally accepted under the 'Unlocking Guildford' transport package and this project is seeking 50% of the funding from the LEP with Guildford providing the match capital funding.

Project / Programme Objectives: The scheme will provide a quicker and more reliable journey time for vehicles exiting the A31 westbound to join the A331 and for all road users using the A331/A323 interchange. Significant residential development is proposed adjacent to the A323 which will result in a further exacerbation of traffic delays.

The improvements will provide safety benefits by reducing the incidence of slip-road traffic queuing back onto the A31 and A331.

The A331 has also been identified as an Air Quality hotspot and these works will assist in reducing air quality issues in the area.

Implications: Continued and worsening congestion on the A31, A323 and A331 together with associated negative impacts on air quality and the economy.

Legal / Statutory Requirement:

Legislative / Statutory Implications:

Planning Permission Required:

Building Regulation Required:

**Details of Other
Required
Consents:**

Working with Surrey County Council, they would need to approve of the plans as they are the highway authority.
Appendix 3

Constraints:

Currently funding is being sought from EM3 LEP with match funding being provided by GBC. There is currently a limit of available funding which may not be enough to complete major changes on both roundabouts.

Assumptions:

Funding is available.
Current pre-feasibility plans indicate that there are viable options, though further feasibility work and information is required to test this in more detail.
There is some land take required and it is assumed that this can be completed within the budgetary constraints.

**Changes /
Effects:**

Physical changes to both junctions:
A331/A323 currently has a "do minimum" option of amendment to lane marking to assist with lane selection. More significant changes are to be considered as part of the feasibility study which might include a "hamburger" type layout which segregates the main traffic flow from two adjoining minor roads. These measures will have the effect of decreasing delays and congestion, particularly on the major roads, thus reducing air quality issues and assisting in enabling future growth.
A331/A31 is likely to comprise new traffic signals on at least two of the arms of the roundabout. This will assist drivers leaving the A31 to travel north on the A323; currently there are long queues forming on this approach as the roundabout gives priority to those wishing to join the A31 and travel south. The result would be that the queue length reduces significantly, again improving air quality and reduce journey times. The signalisation will also make it possible to improve the existing facilities for pedestrians and cyclists at this location - there is currently an informal crossing which could be upgraded to a toucan crossing.

**Measures for
Success:**

- Reduction in congestion (and reduction in journey times).
- Improvement in Air quality.
- Improved pedestrian/cyclist facilities - leading to increase in numbers using routes.
- To be further determined following feasibility.

**Viable Options
and Rejection
Reasons:**

In progress.

Costs

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Year	Description	Capital Value (£)	Revenue Code	Revenue Code Name	Revenue Value (£)
2018/19	Detailed design and procurement	150,000	N/A	N/A	
			N/A	N/A	0
2018/19	Land required to enable works	150,000	N/A	N/A	
			N/A	N/A	0
2019/20	Contractors	2,230,000	N/A	N/A	
			N/A	N/A	0
2020/21	Contractors	1,400,000	N/A	N/A	
			N/A	N/A	0

Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	£300,000	£0
2019/20	£2,230,000	£0
2020/21	£1,400,000	£0

Financial Benefits

Year	Description	Capital Value (£)	Revenue Value (£)
2018/19	Funding awarded by the EM3 LEP (exact spend profile to be agreed with the EM3 LEP post business case submission)	300,000	0
2019/20	Funding awarded by the EM3 LEP (exact spend profile to be agreed with the EM3 LEP post business case submission)	1,665,000	0

Financial Benefits Totals

Year	Capital Total (£)	Revenue Total (£)
2018/19	300,000	0
2019/20	1,665,000	0

Non Financial Benefits

Title	Category	Measure	Expected Delivery Date
Reduced congestion	Improved Service Provision	Queue length Journey Times Air Quality	01/05/20

Risks

Title	Description
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LEP not approving business case

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If a suitable case for growth from the measures cannot be made, the EM3 LEP might not agree to fund the work. We are mitigating this by producing a strategic business case for the package of projects which will demonstrate the value of the projects ahead of submission of each individual business case.

No viable solution to solution can be found

Given the physical constraints there might be a position where the consultants are unable to identify a feasible design which gives the benefits required. Given work completed to date the likelihood of this risk materialising is very small.

Fundamental Themes

Our Economy:	8 - Medium to High	The project enables growth in the area and in Rushmoor.
Our Borough:	6 - Medium	
Our Infrastructure:	10 - Very High	The project is an improvement to our existing infrastructure which needs to be upgraded to be able to cope with existing and future demands.
Our Environment:	8 - Medium to High	Reduced congestion, increased journey times and improved air quality are all expected form the project.
Our Society:	0 - None	
Your Council:	0 - None	
Fundamental Themes Total:	32	

Other Category Themes

Asset Management:	0 - None	All works are on the public highway and so will be managed by the County Council once delivered.
Business Case:	8 - Medium to High	Business case is being compiled as part of the feasibility. It is expected that the business case will demonstrate a need for the project and an acceptable BCR.
Health and Safety / Statutory Requirement:	2 - Low	CDM regulations to be followed. This will assist with air quality and is likely to improve road safety on the junctions, however this has not yet been fully assessed.
Service Delivery:	8 - Medium to High	Delivery of the project would enable development to come forward and demonstrate to the LEP our commitment to growth whilst also improving access to/from the town
Third Party Funding:	10 - Very High	50% match expected from the EM3 LEP
Other Themes Total:	28	

Themes Total: 60

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	2017-18				2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
				Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer								
APPROVED SCHEMES															
COMMUNITY															
Neighbourhood & housing management															
P2	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 3	116	105	-	11	5	11	-	-	-	-	-	116	-	116
P3	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 4	136	132	-	4	-	4	-	-	-	-	-	136	(6)	130
HC3	Furniture link guildford (No longer required)	30	-	-	30	-	-	-	-	-	-	-	-	-	-
ED30	Home Farm, Effingham - provision of Gypsy and Traveller pitches	1,000	230	655	770	625	770	-	-	-	-	-	1,000	-	1,000
General Fund Housing															
	Disabled Facilities Grants			450	450	287	450	-					450	(605)	(155)
	Home Improvement Assistance			40	40	40	40	-					40	-	40
	Solar Energy Loans			30	30	-	30	-					30	-	30
	SHIP			-	-	2	-	-					-	-	-
	General Grants to HAs			100	100	-	100	100	100	100	100	400	500	-	500
	General feasibility, site preparation costs for affordable			120	135		135	120	120	120	120	480	615	-	615
	Bright Hill Car Park Site		4			8							4	-	4
	Ladymead/Fire Station site preparation		69			18							69	-	69
	Garage Sites-General		146			11							146	-	146
	Garage Sites Phase 1		1			1							1	-	1
	Guildford Park Car Park		311			48							311	-	311
	Apple Tree Pub Site		66			8							66	-	66
COMMUNITY DIRECTORATE TOTAL		1,282	1,064	1,395	1,570	1,053	1,540	220	220	220	220	880	3,484	(611)	2,873
CORPORATE															
	New War Memorial	50			50	13	50						50		50
		50			50	13	50						50		50
DEVELOPMENT															
Economic development															
P ED3/15	Disabled Access (DDA) Improvements: ph.2 & 3	390	344	42	46	1	10	36	-	-	-	36	390	-	390
ED14(e)	Void investment property refurbishment works	400	196	-	138	-	24	116	-	-	-	116	400	-	400
ED14(f)	Foundation Unit 1 Middleton				10	8	8								
ED14(g)	Unit 4 Middleton				50	1	50								
	16 Ent Est void works				6	6	6								
	Middleton Ind Est Redevelopment														
ED18	Museum and castle development	267	3	17	264	25	100	164	-	-	-	164	267	-	267
ED19	Asbestos surveys and removal in non-residential council premises	158	86	32	40	27	30	42	-	-	-	42	158	-	158
ED21	Methane gas monitoring system	100	40	-	60	0	60	-	-	-	-	-	100	-	100
ED22	Energy efficiency compliance - Council owned properties	45	8	-	37	1	20	17	-	-	-	17	45	-	45
ED23	Rebuild retaining wall on Shalford Park boundary with the Old Vicarage	60	3	-	57	17	40	-	-	-	-	-	43	(20)	23
ED26	Bridges -Inspections and remedial works	117	148	-	(31)	20	(33)	-	-	-	-	-	115	-	115
ED26@	Bridges - Millmead Footbridge(complete)					2	2								
ED29	Guildford House courtyard (Complete)	7	5	-	2	-	2	-	-	-	-	-	7	-	7
ED35	Electric Theatre - new boilers	120	-	120	120	-	120	-	-	-	-	-	120	-	120

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	2017-18				2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
				Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer								
				(a) £000	(b) £000	(c) £000	(d) £000								
ED39	Gfd business incubation project (No longer required)	110	-	-	110	-	-	-	-	-	-	-	-	-	
ED41	The Billings roof	200	13	150	187	0	10	177	-	-	-	177	200	200	
ED42	Guildford house damproofing- removal of decayed timber panelling and mathematical tiling at high level	20	-	-	20	0	20	-	-	-	-	20	-	20	
ED44	Broadwater cottage	74	0	-	74	1	10	64	-	-	-	64	74	74	
ED45	Gunpowder mills - scheduled ancient monument	50	-	-	50	0	10	40	-	-	-	40	50	50	
ED46	New House - short term works following acquisition	70	-	-	70	11	70	-	-	-	-	-	70	70	
ED52	Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	835	-	835	835	113	835	-	-	-	-	-	835	835	
ED53	Site clearance costs ahead of sale of Burpham Court Farm Buildings	50	-	-	50	-	50	-	-	-	-	-	50	50	
P	PLANNING SERVICES														
P1	Environmental Improvements: High Street / Chertsey St., Guildford	60	-	60	60	-	-	-	-	-	-	-	(20)	(20)	
P4	Guildford Riverside Route Ph 1 (part SPA) complete	708	636	-	72	-	2	-	-	-	-	-	638	(531)	107
	DEVELOPMENT DIRECTORATE TOTAL	3,841	1,481	1,256	2,327	234	1,446	656	-	-	-	656	3,581	(571)	3,010
	ENVIRONMENT														
	Operational Services														
OP1	Safer Guildford: CCTV & Lighting Strategy - CCTV etc. phase	93	82	-	11	-	11	-	-	-	-	-	93	93	
OP3	Sluice Gates Motorisation at Town Mill Toll House(complete)	70	64	-	6	-	-	-	-	-	-	-	64	64	
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	55	-	16	-	-	16	-	-	-	16	71	(19)	52
OP6	Vehicles, Plant & Equipment Replacement Programme	6,445	5,018	300	827	155	827	600	-	-	-	600	6,445	-	6,445
	Ash Surface Water (grant funded)	22	22	-	-	-	-	-	-	-	-	-	22	(22)	0
	William Road Flood (grant funded)	15	15	-	-	-	-	-	-	-	-	-	15	(15)	0
OP19	Flexford Flood (EA grant)	50	59	-	-	-	-	-	-	-	-	-	59	(59)	0
Opxx	Ashenden rd (EA grant)	3	3	-	-	-	-	-	-	-	-	-	3	(3)	0
	Mary Road Flood (EA grant)	-	-	45	16	45	-	-	-	-	-	-	45	(45)	-
OP20	Flood resilience measures (use in conjunction with grant funded schemes)	100	-	100	100	-	-	-	100	-	-	100	100	-	100
OP22	Litter bins replacement	265	31	230	234	6	234	-	-	-	-	-	265	-	265
OP23	Flats recycling - new bins	50	19	-	31	13	31	-	-	-	-	-	50	-	50
OP24	WRD security barriers	15	11	-	4	1	4	-	-	-	-	-	15	-	15
OP25	WRD roads and footpaths	150	59	100	91	-	11	40	40	-	-	80	150	-	150
OP26	Marrow lane grille & headwall construction	60	3	-	57	-	5	52	-	-	-	52	60	-	60
OP27	Marrow & Burpham surface water study	15	-	-	15	-	-	15	-	-	-	15	15	-	15
OP28	Crown court CCTV	10	-	-	10	-	10	-	-	-	-	-	10	-	10
P	Parks and Leisure														
PL4	Crematorium - mercury abatement/new cremators	1,266	988	-	278	132	278	-	-	-	-	-	1,266	-	1,266
P	PL11 Spectrum Roof replacement	4,000	147	3,420	3,464	1,077	2,503	-	-	-	-	-	2,650	-	2,650
	Spectrum roof - steelwork ph2	-	389	-	-	6	1	-	-	-	-	-	390	-	390
	Spectrum roof - steelwork ph3	-	-	-	-	493	160	-	-	-	-	-	160	-	160
PL15	Infrastructure works: Guildford Commons	150	-	-	-	-	-	-	-	-	-	-	-	-	-
PL15(a)	Infrastructure works: Guildford Commons: Marrow	-	10	10	13	2	13	-	-	-	-	-	23	-	23
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	63	40	44	23	27	33	-	-	-	33	123	-	123
PL15(c)	Infrastructure works: Guildford Commons: Compton	-	-	4	3	3	3	-	-	-	-	-	3	-	3
PL20(a)	Onslow Rec play area	174	156	-	18	9	18	-	-	-	-	-	174	-	174
PL20(b)	Westnye Gardens play area	125	-	125	125	10	15	110	-	-	-	110	125	-	125
PL22	Stoke Park Paddling Pool (ph1&2)	423	376	-	47	42	40	-	-	-	-	-	416	-	416
PL26	Replacement roundabout planters	20	18	-	2	3	2	-	-	-	-	-	20	-	20
PL32	Stoke Park Bowls Club	102	-	-	62	90	102	-	-	-	-	-	102	(40)	62
PL34	Stoke cemetery re-tarmac	47	-	-	47	-	-	47	-	-	-	-	47	-	47
PL35	Woodbridge rd sportsground replace fencing	160	38	-	122	1	122	-	-	-	-	-	160	-	160
PL36	Stoke Park Composting facility	105	-	105	105	-	-	105	-	-	-	-	105	-	105
PL38	Chantry wood campsite	216	3	200	213	3	3	210	-	-	-	210	216	-	216
PL40	Replace hanging basket posts	88	13	-	75	40	75	-	-	-	-	-	88	(44)	44

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	2017-18					2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
				Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	Est for year								
				(c) £000	(d) £000	(e) £000	(f) £000	(i) £000								
PL41	Stoke pk office accomodation & storage buildings (Greenhouse)Complete	65	15	-	50	55	55	-	-	-	-	-	70	-	70	
PL42	Pre-sang costs	100	1	-	99	15	20	79	-	-	-	79	100	-	100	
PL43	Stoke Cemetry Chapel - phase 2	75	0	3	3	1	3	72	-	-	-	72	75	-	75	
PL46(p)	Replace stoke pk gardens attendant hut/Visitor information	70	0	70	120	10	120	-	-	-	-	-	120	-	120	
PL50	Countryside fence replacement	97	-	50	50	56	50	47	-	-	-	47	97	-	97	
PL51	Purchase of Park Iroko Timber Bins				22	22	22									
PL52	Sutherland Memorial Park LED lighting	25	-	-	25	-	25	-	-	-	-	-	25	-	25	
ENVIRONMENT TOTAL DIRECTORATE		14,742	7,657	4,753	6,435	2,284	4,835	1,426	140	-	-	1,566	14,036	(247)	13,789	
RESOURCES																
Business Systems																
P	BS1	Investment in Millmead House campus	3,884	3,828	-	56	42	56	-	-	-	-	3,884	-	3,884	
	BS2	Millmead House Toilet refurb	121	13	-	108	71	108	-	-	-	-	121	-	121	
Financial Services																
	FS1	Capital contingency fund	annual	-	5,000	4,527	-	4,527	5,000	5,000	5,000	5,000	20,000	24,527	-	24,527
RESOURCES DIRECTORATE TOTAL		4,005	3,841	5,000	4,691	113	4,691	5,000	5,000	5,000	5,000	20,000	28,532	0	28,532	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
	ED25	Guildford Park - new MSCP and infrastructure works	6,500	503	4,500	5,997	341	5,997	-	-	-	-	6,500	-	6,500	
	ED32	Clay lane link road	700	802	-	(102)	184	(102)	-	-	-	-	700	-	700	
P	ED6	Slyfield Area Regeneration Project (SARP)	1,984	217	-	1,767	821	1,767	-	-	-	-	1,984	-	1,984	
	ED27	North Street Development / Guild Town Centre regeneration	977	640	100	237	61	237	100	-	-	100	977	(50)	927	
	ED27a	Pop up Village(complete)	553	695	-	100	103	100	-	-	-	-	795	-	795	
		Investment in North Downs Housing	24,340	1,440	3,300	3,300	-	900	12,840	-	-	-	12,840	15,180	-	15,180
		Equity shares in Guildford Holdings Ltd	960	960	2,200	2,200	-	600	8,560	-	-	-	8,560	10,120	-	10,120
	P5	Walnut Bridge replacement	3,341	481	1,884	1,834	344	1,834	1,026	-	-	-	1,026	3,341	(1,530)	1,811
	P9c	TCMP Sites U: Bedford Rd Wharf	14,176	-	14,176	14,176	-	-	-	14,176	-	-	14,176	14,176	-	14,176
	P9c	TCMP Sites U: Bedford Rd Wharf	3,523	-	3,523	3,523	-	-	-	3,523	-	-	3,523	3,523	-	3,523
	PL9	Rebuild Crematorium	10,040	158	3,410	3,792	360	500	9,312	70	-	-	9,382	10,040	-	10,040
	PL25	Spectrum Combined Heat and Power (GF contr)	1,110	21	869	848	90	848	-	-	-	-	869	-	869	
	PL29	Woodbridge Rd sportsground	1,900	516	1,150	1,384	1,232	1,384	-	-	-	-	1,900	(775)	1,125	
DEVELOPMENT/INCOME GENERATING/COST REDUCTION		70,104	6,434	35,112	39,056	3,535	14,065	31,838	17,769	0	0	49,607	70,106	(2,355)	67,751	
APPROVED SCHEMES TOTAL		94,024	20,477	47,516	54,129	7,232	26,627	39,140	23,129	5,220	5,220	72,709	119,790	(3,784)	116,005	
non-development projects total		23,920	14,044	12,404	15,073	3,697	12,562	7,302	5,360	5,220	5,220	23,102	49,684	(1,430)	48,254	

SUMMARY APPROVED SCHEMES - TOTAL		94,024	20,477	47,516	54,129	7,232	26,627	39,140	23,129	5,220	5,220	72,709	119,790	(3,784)	116,005
GRAND TOTAL		94,024	20,477	47,516	54,129	7,232	26,627	39,140	23,129	5,220	5,220	72,709	119,790	(3,784)	116,005

FINANCED as follows :		Estimate approved by Council in February £000	Revised estimate £000	Expenditure at 18.12.17 £000	Projected exp est by project officer £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	Future years est exp £000
CONTRIBUTIONS		531			2,555	0	0	0	0	0
CAPITAL RECEIPTS		-			324	0	0	0	0	0
R.C.C.O. :										
SPECIFIC		-			0	0	0	0	0	0
GF CAPITAL SCHEMES RESERVE		-			1,000	0	0	0	0	0
OTHER RESERVES		177			5,280	11,778	220	220	220	12,438
FUNDING REQUIREMENT: HOUSING RECEIPTS		-			0	0	0	0	0	0
FUNDING REQUIREMENT: BORROWING				46,808	17,469	27,362	22,909	5,000	5,000	60,271

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-17	2017-18			Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Net cost of scheme
				Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17									
	TOTAL			47,516	-	-	26,627	39,140	23,129	5,220	5,220	72,709			

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-17	Estimate approved by Council in February	2017-18		Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	Future years estimated expenditure	Projected expenditure total	Grants or Contributions towards cost of scheme	Net total cost of scheme to the Council
		(a)	(b)	(c)	Revised estimate	Expenditure at 18.12.17											
		£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)																	
COMMUNITY DIRECTORATE																	
COMMUNITY DIRECTORATE TOTAL																	
CORPORATE DIRECTORATE no projects																	
CORPORATE DIRECTORATE TOTAL																	
DEVELOPMENT DIRECTORATE																	
ED14(P)	Void investment property refurbishment works	300	-	100	100	-	-	200	100	-	-	-	-	300	300	-	300
ED18(P)	Guildford Museum	4,750	-	2,000	2,000	-	-	-	-	4,750	-	-	-	4,750	4,750	-	4,750
ED21(P)	Methane gas monitoring system	150	-	-	150	-	150	-	-	-	-	-	-	-	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties	1,150	-	920	920	-	-	1,150	-	-	-	-	-	1,150	1,150	-	1,150
ED26(P)	Bridges	570	-	570	570	-	100	470	-	-	-	-	-	470	570	-	570
ED45(P)	Gunpowder mills - scheduled ancient monument	172	-	-	172	-	-	172	-	-	-	-	-	172	172	-	172
P6(P)	Guildford Riverside Route PH 2&3 - NO LONGER RQD (moved to vision)	2,400	-	2,400	2,400	2	-	-	-	-	-	-	-	-	-	-	-
ED47(p)	Cladding of Ash Vale units	145	-	145	145	-	-	145	-	-	-	-	-	145	145	-	145
ED48(p)	Westfield/Moorfield rd resurfacing	3,152	-	3,152	3,152	-	-	3,152	-	-	-	-	-	3,152	3,152	-	3,152
ED50(p)	Burpham Court Farm	365	-	365	365	-	-	-	-	-	-	-	-	-	-	-	-
ED51(p)	Exhibition lighting at Guildford House	50	-	50	50	-	50	-	-	-	-	-	-	-	50	-	50
ED52(p)	Chapel Street (Castle Street/Tunsgate Public Realm Scheme)	1,165	-	1,165	1,165	-	15	1,150	-	-	-	-	-	1,150	1,165	-	1,165
DEVELOPMENT DIRECTORATE TOTAL																	
ENVIRONMENT DIRECTORATE																	
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	-	200	-	-	200	-	-	-	-	-	200	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	5,900	-	-	-	-	-	-	4,000	1,000	-	-	-	5,000	5,000	-	5,000
OP17(P)	New vehicle washing system	155	-	155	155	0	-	155	-	-	-	-	-	155	155	-	155
OP21(P)	Surface water management plan	200	-	-	200	-	-	200	-	-	-	-	-	200	200	-	200
OP22(P)	WRD - cleansing office heating system	11	-	11	11	11	11	-	-	-	-	-	-	-	11	-	11
PL12(P)	Spectrum schemes to be agreed with Freedom Leisure	700	-	700	700	-	700	-	-	-	-	-	-	-	700	-	700
PL16(P)	New burial grounds - acquisition & development	7,834	26	2,490	2,508	-	-	2,508	5,300	-	-	-	-	7,808	7,834	-	7,834
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	150	150	-	-	150	-	-	-	-	-	150	150	-	150
PL20(P)	Council owned playground refurbishment	320	-	-	100	-	-	200	120	-	-	-	-	320	320	-	320
PL21(P)	Council tennis courts refurbishment	295	-	215	245	-	50	195	-	-	-	-	-	195	245	(10)	235
PL24(P)	Kings college astro turf	120	-	120	120	-	-	120	-	-	-	-	-	120	120	-	120
PL39(P)	Aldershot rd allotment expansion & improvement	200	-	-	200	-	-	200	-	-	-	-	-	200	200	-	200

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-17 (b) £000	Estimate approved by Council in February (c) £000	2017-18			2018-19 Est for year (i) £000	2019-20 Est for year (ii) £000	2020-21 Est for year (iii) £000	2021-22 Est for year (iv) £000	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	Future years estimated expenditure (h) £000	Projected expenditure total (b) to (g)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i) - (j) = (k) £000
					Revised estimate (e) £000	Expenditure at 18.12.17 (f) £000	Projected exp est by project officer (g) £000										
PL41(P)	Stoke pk office accomodation & storage buildings	665	-	625	665	-	50	615	-	-	-	-	-	615	665	-	665
PL44(p)	Sutherland memorial park all weather courts	25	-	25	25	-	25	-	-	-	-	-	-	25	-	-	25
PL45(p)	Stoke Pk gardens water feature refurb	81	-	81	81	-	81	-	-	-	-	-	-	81	(59)	-	22
PL47(p)	Wall repairs for parks, cemeteries & recreation facilities	195	0	15	15	8	15	180	-	-	-	-	-	180	195	-	195
PL48(p)	Bellfields YCC	60	1	60	59	2	59	-	-	-	-	-	-	60	-	-	60
PL49(p)	Resurface Lido Rd CP	100	-	100	100	-	-	100	-	-	-	-	-	100	100	-	100
PL52(p)	Sutherland Memorial Park LED lighting	10	-	35	10	-	10	-	-	-	-	-	-	10	-	-	10
PL53(p)	Park Barn CC LED lighting upgrade	22	-	22	22	-	22	-	-	-	-	-	-	22	-	-	22
ENVIRONMENT DIRECTORATE TOTAL		17,243	27	4,804	5,566	21	1,023	4,823	9,420	1,000	-	-	-	15,243	16,293	(89)	16,204
RESOURCES DIRECTORATE																	
CD3(P)	Renewables	65	-	-	65	-	65	-	-	-	-	-	-	-	65	-	65
RESOURCES DIRECTORATE TOTAL		65	-	-	65	-	65	-	-	-	-	-	-	-	65	-	65
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																	
ED25(P)	Guildford Park new MSCP and infrastructure works	23,125	-	11,645	11,645	-	-	18,625	4,500	-	-	-	-	23,125	23,125	-	23,125
ED32(P)	Clay lane link road	10,439	-	100	1,100	-	1,100	4,339	5,000	-	-	-	-	9,339	10,439	(1,340)	9,099
ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	72,324	-	15,000	15,058	-	-	900	6,000	700	22,962	41,762	-	72,324	72,324	(7,500)	64,824
ED38(P)	North Street development	29,590	-	1,000	1,000	-	-	-	29,590	-	-	-	-	29,590	29,590	-	29,590
ED49(p)	Redevelop Middleton industrial estate	14,907	-	1,837	1,837	5	53	1,784	-	13,070	-	-	-	14,854	14,907	-	14,907
HC4(p)	Bright Hill Development	13,500	-	500	500	-	-	500	1,250	6,250	5,500	-	-	13,500	13,500	-	13,500
P7(P)	Transport schemes for future Local Growth Fund and other funding opportunities	4,000	-	4,000	4,000	-	-	4,000	-	-	-	-	-	4,000	4,000	(3,500)	500
P8(P)	Town centre transport infrastructure package	217	-	217	217	-	217	-	-	-	-	-	-	217	-	-	217
P10(p)	Sustainable Movement Corridor	9,895	-	-	-	-	-	850	1,500	1,500	-	6,045	-	9,895	9,895	(2,725)	7,170
P11(p)	Guildford West (PB) station	5,000	-	500	500	-	-	1,000	1,000	3,000	-	-	-	5,000	5,000	(3,750)	1,250
P12(p)	Strategic property acquisitions	34,120	-	-	-	-	-	-	7,020	13,300	13,800	-	-	34,120	34,120	-	34,120
P13(p)	Bedford Wharf	23,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P13(p)	Guildford Gyratory & approaches	12,000	-	-	-	-	-	200	833	3,500	3,500	3,967	-	12,000	12,000	(5,700)	6,300
	Investment in North Downs Housing	31,540	1,440	-	-	-	-	-	6,120	11,940	-	-	-	18,060	19,500	-	19,500
	Equity shares in Guildford Holdings Ltd	960	960	-	-	-	-	-	4,080	7,960	-	-	-	12,040	13,000	-	13,000
PL51(p)	Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	-	-	4,000	4,000	4,000	-	4,000
P	Additional Parking Space Mary Rd & Millbrook Car Parks: Option 1: Mary Road decking (Option 3 being the more expensive option has been included in the figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P	OP13(P) Option 2: Millbrook decking	1,025	-	-	-	-	-	-	1,025	-	-	-	-	1,025	1,025	-	1,025
P	OP14(P) Option 3: Mary Road Multi Storey (this more expensive option has been included in the figures)	5,565	-	-	-	-	-	-	5,565	-	-	-	-	5,565	5,565	-	5,565

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2017-18 to 2022-23

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive (a) £000	Cumulative spend at 31-03-17 (b) £000	2017-18			Projected exp est by project officer (g) £000	2018-19 Est for year (i) £000	2019-20 Est for year (ii) £000	2020-21 Est for year (iii) £000	2021-22 Est for year (iv) £000	2022-23 Est for year (v) £000	2023-24 Est for year (v) £000	Future years estimated expenditure (h) £000	Projected expenditure total (b) to (g)=(i) £000	Grants or Contributions towards cost of scheme (j) £000	Net total cost of scheme to the Council (i) - (j) = (k) £000
				Estimate approved by Council in February (c) £000	Revised estimate (e) £000	Expenditure at 18.12.17 (f) £000											
DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		295,207	2,400	34,799	35,857	5	1,370	32,198	73,483	61,220	45,762	51,774	4,000	268,437	272,207	(24,515)	247,692
PROVISIONAL SCHEMES - GRAND TOTALS		326,884	2,427	50,470	52,677	28	2,773	43,460	83,003	66,970	45,762	51,774	4,000	294,969	300,169	(24,604)	275,565
non development projects		31,677	27	15,671	16,820	23	1,403	11,262	9,520	5,750	-	-	-	26,532	27,962	(89)	27,873
SUMMARY																	
PROVISIONAL SCHEMES - TOTAL		326,884	2,427	50,470	52,677	28	2,773	43,460	83,003	66,970	45,762	51,774	4,000	294,969	300,169	(24,604)	275,565
GRAND TOTAL		326,884	2,427	50,470	52,677	28	2,773	43,460	83,003	66,970	45,762	51,774	4,000	294,969	300,169	(24,604)	275,565

FINANCED as follows :		Estimate approved by Council in February £000	Revised estimate £000	Projected exp est by project officer £000	2018-19 Est for year £000	2019-20 Est for year £000	2020-21 Est for year £000	2021-22 Est for year £000	2022-23 Est for year £000	2023-24 Est for year £000	Future years estimated expenditure £000
CONTRIBUTIONS		211		1,746	1,121	2,250	4,750	1,750	0	0	9,871
CAPITAL RECEIPTS		-		0	4,000	9,200	9,075	6,000	0	0	28,275
CAPITAL RECEIPTS		-		0	0	0	26,800	0	0	0	26,800
R.C.C.O. :											
GF CAPITAL SCHEMES RESERVE		-		0	0	0	0	0	0	0	0
OTHER RESERVES		1,885		0	0	0	0	0	0	0	0
FUNDING REQUIREMENT: HOUSING RECEIPTS		10,885		0	0	0	0	0	0	0	0
FUNDING REQUIREMENT: BORROWING		37,489		1,027	38,339	71,553	26,345	38,012	51,774	4,000	226,023
TOTAL		50,470	-	2,773	43,460	83,003	66,970	45,762	51,774	4,000	290,969

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GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 2016-17 to 2020-21

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-17	Estimate approved by Council in February	2017-18			2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	Future years est exp	Projected expenditure total
					Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer							
		(a)	(b)	(c)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(g) = (h)	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	RESOURCES DIRECTORATE													
	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-	-	-	-	-	-	-	-	-	-	
R-EN10	LED Lighting replacement	80	49	-	31	-	19	-	-	-	-	-	69	
	Salix lighting Harbour Hotel					2	2						2	
	Salix lighting Black Horse					10	10						10	
R-EN11	WRD energy reduction	70	-	-	70	-	70	-	-	-	-	-	70	
	ENERGY PROJECTS per GBC INVEST TO SAVE RESERVE:													
	GBC 'Invest to Save' energy projects (to be repaid in line with savings)			-	164	-	164	-	-	-	-	-	-	
R-EN12	PV/energy efficiency projects	100	2	-	98	-	98	-	-	-	-	-	100	
	ENERGY RESERVES TOTAL	250	51	-	363	12	363	-	-	-	-	-	250	
	BUDGET PRESSURES RESERVE													
R-BP1	Surreysave Credit Union - purchase of shares	100	50	-	50	50	50	-	-	-	-	-	100	
	BUDGET PRESSURES RESERVE TOTAL	100	50	-	50	50	50	-	-	-	-	-	100	
	LABGI RESERVE													
R-BP1	Bedford Rd Bus Station	250	59	-	-	174	191	-	-	-	-	-	250	
	LABGI RESERVE TOTAL	250	59	-	-	174	191	-	-	-	-	-	250	
	INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) - approved annually													
	Hardware / software budget			350	854	469	350	350	350	-	-	1,050	1,519	
	Hardware	annual	annual	-	-	377	377	-	-	-	-	-	377	
R-IT2	Software	annual	annual	-	-	-	-	-	-	-	-	-	-	
	ICT infrastructure improvements	1,250					1,250	-	-	-	-	1,250	1,250	
	Efin upgrade and eproc implement		12			8							8	
	Replace Ocella (Tascomi)		10											
	IT RENEWALS RESERVE TOTAL	1,250	22	350	854	385	854	1,600	350	350	-	2,300	3,154	
	ENVIRONMENT DIRECTORATE													
	SPECTRUM RESERVE													
R-S10	Chiller Replacement & CHO absorption chiller	245	-	-	243	-	243	-	-	-	-	-	243	
R-S13	Lift controls - replacement	310	48	-	262	-	262	-	-	-	-	-	310	
	SPECTRUM RESERVE TOTAL	555	48	-	505	-	505	-	-	-	-	-	553	
	CAR PARKS RESERVE													
R-CP1	Car parks - install/replace pay-on-foot equipment	570	240	334	330	-	330	-	-	-	-	-	570	
	Car Parks - Lighting & Electrical improvements:													
R-CP13	- Castle, Farnham & York Rd Lighting	300	-	-	300	-	300	-	-	-	-	-	300	
	Car parks - Deck surfacing:													
R-CP8	- Castle car park (PR000299)	325	-	-	-	-	325	-	-	-	-	325	325	
R-CP10	- Bedford Road (PR000243)	512	-	512	512	-	59	-	-	-	-	-	59	
R-CP12	Replacement of collapsed retaining wall Bright Hill	321	16	-	305	31	30	-	-	-	-	-	46	
R-CP14	Lift replacement (PR000293)	841	-	187	280	68	280	187	187	187	-	561	841	
R-CP15	Marrow P&R CCTV (PR000298)	50	-	-	50	-	50	-	-	-	-	-	50	
R-CP16	Bright Hill Barrier essential works (PR000425)	80	1	-	79	51	79	-	-	-	-	-	80	
R-CP17	Leapale rd MSCP drainage (PR000433)	90	-	90	90	-	90	-	-	-	-	90	90	
	CAR PARKS RESERVE TOTAL	3,089	257	1,123	1,946	150	1,128	602	187	187	-	976	2,361	
	SPA RESERVE :													
	SPA schemes (various)	100	annual	100	165	-	151	100	-	-	-	100	265	
R-SPA1	Chantry Woods													
R-SPA2	Effingham					1	1							

GENERAL FUND CAPITAL SCHEMES - PROJECTS FUNDED VIA RESERVES: ESTIMATED EXPENDITURE 2016-17 to 2020-21

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-17	Estimate approved by Council in February	2017-18		Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	Future years est exp	Projected expenditure total
					Revised estimate	Expenditure at 18.12.17								
		(a)	(b)	(c)	(e)	(f)	(i)	(ii)	(iii)	(iv)	(v)	(g)	(b)+(g) = (h)	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
R-SPA3	Lakeside				-	-							-	
R-SPA4	Riverside				10	10							-	
R-SPA5	Parsonage				3	3							-	
R-SPA7	Access tracks at Chantry Wood	60	-	-	60	60	-	-	-	-	-	-	-	60
SPA RESERVE TOTAL		160	-	100	225	14	225	100	-	-	-	-	100	325
GRAND TOTALS		5,654	486	1,573	3,943	785	3,316	2,302	537	537	-	-	3,376	6,993

FUNDING SUMMARY	
Reserves (various)	
Grants & contributions	
TOTALS	

Estimate approved by Council in February	Revised estimate	Expenditure at 18.12.17	Projected exp est by project officer	2018-19 Est for year	2019-20 Est for year	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year
£000	£000	£000	£000	£000	£000	£000	£000	£000
1,473	3,718	771	3,091	2,202	537	537	-	-
100	225	14	275	100	-	-	-	-
1,573	3,943	785	3,366	2,302	537	537	-	-

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2015-16 to 2020-21

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-17	Estimate approved by Council in February	2017-18		Projected exp est by project officer
					Revised estimate	Expenditure at 18.12.17	
		(a) £000	(b) £000	(c) £000	(d)	(e) £000	(f) £000
APPROVED SCHEMES (fully funded from S106 contributions)							
OPERATIONAL SERVICES							
S-OP3	Hayden Place CCTV - P92310	35			35	0	35
OPERATIONAL SERVICES S106 - Totals		-	-	-	35	-	35
ENVIRONMENT DIRECTORATE							
S-PL1	Woodbridge Meadow Artwork	104	103	-	1	(0)	1
S-PL2	G Live Artwork	34	32	-	2	-	2
S-PL3	Art Print Hse Sq (Sculpture Martyr Rd)	36	25	-	11	-	11
S-PL7	Tilehouse Open Space - Playground Refurbishment & Fitness Equipment	132	102	-	30	-	30
S-PL8	Baird Drive/Briars Playground Refurb	10	-	-	10	3	10
S-PL13	Stoke Recreation Ground play area	41	37	-	4	-	4
S-PL17	Bushy Hill Facilities	27	16	-	11	-	11
S-PL23	75-78 Woodbridge Rd	15	4	-	11	4	11
S-PL29	Greening the approaches - roundabouts	40	5	-	35	-	35
S-PL33	Installation of trampoline play equipment	11	-	-	11	-	11
S-PL36	Gunpowder mills - signage, access and woodland imps	16	11	-	5	-	5
S-PL38	Goose green play area improvements	21	20	-	-	1	-
S-PL40	Ripley PC skate ramp	47	22	-	25	-	25
S-PL42	Sutherland memorial park public art project	23	22	-	1	0	1
S-PL46	Shalford Park Pavilion Improvements - COMPLETE	23	22	-	1	2	1
S-PL47	Fir Tree Garden	28	-	28	28	-	28
S-PL48	Stoke Park Trim Trail	23	-	-	23	-	23
ENVIRONMENT DIRECTORATE TOTAL		527	317	28	208	9	208
APPROVED SCHEMES continued (fully funded from S106 contributions)							
DEVELOPMENT DIRECTORATE							
S-P1	Haydon Place / Martyr Road	67	64	-	3	12	12
S-P3	North Street Rejuvenation Project	489	257	232	232	-	-
S-P5	Falcon Rd Guildford	6	-	-	6	-	6
S-P7	Woodbridge meadows	243	197	-	46	-	46
S-P8	Woodbridge Hill environmental improvements	226	17	180	210	30	210
S-P10	G Live Lighting and Signage York Road	32	23	-	9	0	9
S-P11	G Live Bus stop/drop off point	11	4	-	7	-	7
S-P12	Espom Rd/Boxgrove Road	150	87	-	63	-	63
S-P13	Kingpost Parade car park	20	19	-	2	-	2
S-P14	Bridge Street Waymarking	5	1	-	4	-	4
DEVELOPMENT DIRECTORATE TOTOAL		1,249	668	412	582	43	359
APPROVED S106 SCHEMES TOTAL		1,775	985	440	825	52	602

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GENERAL FUND CAPITAL PROGRAMME : SUMMARY OF RESOURCES AND FINANCIAL IMPLICATIONS

1.0 AVAILABILITY OF RESOURCES - NOTES :

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

1.2 The actuals for 2016-17 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, dependding 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)

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Balance as at 1 April	0	0	0	0	0	0	0	0
Add estimated usable receipts in year	259	330	324	4,000	9,200	9,075	16,000	0
Less applied re funding of capital schemes	(259)	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Balance after funding capital expenditure as at 31 March	0	0	0	0	0	0	0	0

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

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
	33,836	47,516	26,627	39,140	23,129	5,220	5,220	0
	20	50,470	2,773	43,460	83,003	66,970	45,762	51,774
	447	440	602	0	0	0	0	0
	3,199	1,573	3,316	2,302	537	537	0	0
	744	0	0	0	0	0	0	0
Total estimated capital expenditure	38,246	99,999	33,318	84,902	106,669	72,727	50,982	51,774
To be funded by:								
Capital receipts (<i>per 2.above</i>)	(2,860)	(330)	(324)	(4,000)	(9,200)	(9,075)	(16,000)	0
Contributions	(3,128)	(3,982)	(3,432)	(1,221)	(2,250)	(4,750)	(1,750)	0
R.C.C.O. :								
Other reserves	(1,523)	(7,973)	(8,371)	(13,980)	(757)	(757)	(220)	0
	(7,511)	(12,285)	(12,127)	(19,201)	(12,207)	(14,582)	(17,970)	0
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(30,735)	(87,714)	(21,192)	(65,701)	(94,462)	(58,145)	(33,012)	(51,774)
Total funding required	(38,246)	(99,999)	(33,318)	(84,902)	(106,669)	(72,727)	(50,982)	(51,774)

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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

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Balance as at 1 April	639	0	1,000	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	1,000	0	0	0	0	0	0	0
	1,639	0	1,000	0	0	0	0	0
Less: Applied re funding of capital programme	(639)	0	(1,000)	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	1,000	0	0	0	0	0	0	0

Estimated shortfall at year-end to be funded from borrowing

	30,096	87,714	20,192	65,701	94,462	58,145	33,012	51,774
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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)	17,276	14,201	14,861	13,361	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	(2,415)	0	0	0	0	0	0	0
Less: Applied re Housing company	0	(5,500)	(1,500)	(13,361)	0	0	0	0
	14,861	8,701	13,361	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	14,861	8,701	13,361	0	0	0	0	0

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Balance as at 1 April (T01008)	17,276	14,201	14,861	13,361	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	(2,415)	0	0	0	0	0	0	0
Less: Applied re Housing company	0	(5,500)	(1,500)	(13,361)	0	0	0	0
	14,861	8,701	13,361	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	14,861	8,701	13,361	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)	3,449	3,151	2,938	2,428	1,933	1,438	943	448
Add: Estimated receipts in year	1,418	200	200	200	200	200	200	200
Less: Applied re Housing (General Fund) capital programme	(135)	(220)	(235)	(220)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(1,794)	(475)	(475)	(475)	(475)	(475)	(475)	(475)
	2,938	2,656	2,428	1,933	1,438	943	448	(47)
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	2,938	2,656	2,428	1,933	1,438	943	448	(47)

	2016-17 Actuals £000	2017-18 Budget £000	2017-18 Est Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000
Balance as at 1 April (T01012)	3,449	3,151	2,938	2,428	1,933	1,438	943	448
Add: Estimated receipts in year	1,418	200	200	200	200	200	200	200
Less: Applied re Housing (General Fund) capital programme	(135)	(220)	(235)	(220)	(220)	(220)	(220)	(220)
Less: Applied re Housing Improvement programme	(1,794)	(475)	(475)	(475)	(475)	(475)	(475)	(475)
	2,938	2,656	2,428	1,933	1,438	943	448	(47)
Less: Applied on regeneration schemes	0	0	0	0	0	0	0	0
Housing receipts - estimated balance in hand	2,938	2,656	2,428	1,933	1,438	943	448	(47)

6.1 Estimated annual borrowing requirement

Bids for funding (net)

Total estimated borrowing requirement if all bids on Appendix 1 approved

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total £'000s
Estimated annual borrowing requirement	30,096	87,714	20,192	65,701	94,462	58,145	33,012	51,774	323,286
Bids for funding (net)		0	0	0	0	0	0	0	0
Total estimated borrowing requirement if all bids on Appendix 1 approved		87,714	20,192	65,701	94,462	58,145	33,012	51,774	323,286

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Capital vision items

Ref	Project	Verto ref	Date entered on Verto	Date last updated	Verto Gateway	timescale	Estimated gross cost	Local growth fund bid	Other funding	S106/CIL	GBC cost	Notes
CV2	Stoke Park drainage and water features						77,000				77,000	
CV3	Castle valley gardens automated watering system					2020 likely timescale	30,000				30,000	
CV4	North side drainage scheme						130,000				130,000	
CV10	Transport - Yorkies bridge part of Sustainable Movement Corridor					2024-2029	10,000,000	5,000,000	1,250,000	2,500,000	1,250,000	SCC other funding
CV22	Stoke Park Masterplan Implementation	PR418	08.08.16	11.08.16	CV	2021-2022	3,000,000		1,500,000		1,500,000	external funding to be identified
CV23	Lakeside Nature Reserve Visitor Facility	PR419	08.08.16	11.08.16	CV	2020	500,000			250,000	250,000	
CV24	Stoughton Recreation ground Landscape Improvements	PR421	08.08.16	10.08.16	CV	2023	150,000		75,000		75,000	external funding to be identified (possible HLF)
P13(p)	Bedford Wharf	PR372					23,000,000				23,000,000	
Town centre masterplan (heading not related to schemes below)												
CV12	A3 Interim intervention schemes (inc.Beechcroft Drive safety scheme)					2018-2020	unknown				unknown	
CV13	Gosdon Hill P&R					2021-2023	7,500,000				unknown	
CV14	Merrow station					2024-2029	10,000,000				unknown	
CV17	Redevelopment of woodbridge meadows industrial estate					6-10 years	unknown				unknown	
Corporate plan												
CV18	Leisure centre replacement/multi use sports centre	PR464	13.02.17	13.02.17	CV	15-20 years	£80m-£100m				100,000,000	
CV19	Set up community energy scheme/heat network					2020	unknown				unknown	
CV20	Set up a water discharge system					2017	unknown				unknown	
SARP												
Expenditure												
	Slyfield area regeneration project (GF element)					2023-24 thru 2034-35	65,606,000					moved from provisional 22.11.17 as per CW
	Slyfield area regeneration project (GF element)					2023-24 thru 2034-35	72,535,800					additional costs identified as per reprofile 22.11.17
	Slyfield area regeneration project (HRA element)					2033-34 thur 2034-35	31,423,672					new estimate £38,793,672 (£7,370,000 on HRA provisonal) original bid £50M
Income												
CV11	Slyfield area regeneration project					2024-25	(20,545,000)				(20,545,000)	
CV11	Slyfield area regeneration project					2025-26	(20,545,000)				(20,545,000)	
CV11	Slyfield area regeneration project					2027-28 thru 2034-35	(137,572,200)				(137,572,200)	
CV12	Major projects unit - possible revenue income					2019-20 (at the earlies)	(24,832,000)				(24,832,000)	

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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

Agenda item number: 6
Appendix 10

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.

Treasury Management Practices (TMPs) Principles and Schedules 2017-18

Revised December 2017

Contents

This document has been prepared in the format provided by CIPFA. For ease of use, the key areas for Guildford Borough Council treasury operations are referenced below:

Description	TMP Number	Page No.
<ul style="list-style-type: none"> • Organisational chart of the Council's Finance and Treasury Division • Statement of duties and responsibilities • Absence cover 	<p>TMP 5</p> <p>TMP 5</p> <p>TMP 5</p>	
<ul style="list-style-type: none"> • Liquidity Management, Cash flow, bank overdraft, short-term borrowing/lending • Cash Flow forecasts • Bank statements, payment scheduling 	<p>TMP 1.2</p> <p>TMP 8</p> <p>TMP 8</p>	
<ul style="list-style-type: none"> • Electronic banking and dealing • Standard Settlement Instructions, Payment Authorisation 	<p>TMP 1.7</p> <p>TMP 1.7</p>	
<ul style="list-style-type: none"> • Approved types and sources of borrowing • Approved investment instruments 	<p>TMP 4</p> <p>TMP 4</p>	
<ul style="list-style-type: none"> • Counterparty and Credit Risk Management • Current criteria • Counterparty List and Limits 	<p>TMP 1.1</p> <p>Procedure Notes file</p>	
<ul style="list-style-type: none"> • Dealing: <ul style="list-style-type: none"> - Authorised dealers - Dealing limits - List of approved brokers - Deal Ticket pro-forma - Direct dealing list - Settlement transmission procedures 	<p>TMP 5</p> <p>Procedure Notes file</p> <p>Network drive</p> <p>Procedure Notes file</p>	
<ul style="list-style-type: none"> • Reporting arrangements/Performance measurement • Officers' responsibilities for reporting 	<p>TMP 6</p> <p>TMP 2</p> <p>TMP 5</p>	
<ul style="list-style-type: none"> • Budget, Statement of Accounts, treasury-related information requirements for Auditors 	<p>TMP 7</p>	
<ul style="list-style-type: none"> • Procedure Notes for Council's treasury management system 	<p>Procedure Notes file</p>	
<ul style="list-style-type: none"> • Anti Money Laundering Procedures 	<p>TMP 9</p>	
<ul style="list-style-type: none"> • Contingency Arrangements 	<p>TMP 1.7</p>	
<ul style="list-style-type: none"> • External Service Providers 	<p>TMP 11</p>	
<ul style="list-style-type: none"> • References to Statute and Legislation 	<p>TMP 1.6</p>	

Introduction

The CIPFA Code of Practice on Treasury Management in the public Services (the Code) which was last revised in 2017. The code requires the setting out of the responsibilities and duties of Councillors and officers, allowing a framework for reporting and decision making on all aspects of treasury management. The Code recommends the creation and maintenance of:

- A Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities,
- Treasury Management Practices (TMPs) setting out the way in which we will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

The TMPs comprise:

TMP 1:	Risk management
TMP 2:	Performance measurement
TMP 3:	Decision-making and analysis
TMP 4:	Approved instruments, methods and techniques
TMP 5:	Organisation, clarity and segregation of responsibilities and dealing arrangements
TMP 6:	Reporting requirements and management information arrangements
TMP 7:	Budgeting, accounting and audit arrangements
TMP 8:	Cash and cash flow management
TMP 9:	Money laundering
TMP 10:	Training and qualifications
TMP 11:	Use of external service providers
TMP 12:	Corporate governance

Schedules supporting these practices and other documents held at an operational level specify the systems and routines to be employed and the records to be maintained in fulfilling the Council's treasury functions.

Treasury Management Practices (TMPs)

TMP 1: Risk Management

All treasury management activities involve both risk and the pursuit of reward or gain for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of treasury management activities.

The following risks are relevant:

- credit and counterparty risk
- liquidity risk
- interest rate risk
- exchange rate risk
- legal and regulatory risk
- fraud, error and corruption and contingency management
- market risk

The Chief Financial Officer (CFO) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk. They will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in *TMP6: Reporting requirements and management information arrangements*. In respect of each of the following risks, how we will seek to ensure compliance with these objectives are set out in the schedules below.

Credit and Counterparty Risk Management

Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital and revenue resources.

Principle

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited. It will limit its investment activities to the instruments, methods and techniques referred to in *TMP4: Approved instruments, methods and techniques*, and listed in the schedule. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

Schedule

<p>Criteria to be used for creating/managing approved counterparty lists/limits</p>	<p>The CFO is responsible for setting prudent criteria and the Council's treasury advisors will also provide guidance and assistance in setting the criteria.</p> <p>The criteria will be agreed by the Executive as part of the annual capital and investment strategy.</p> <p>The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions at least monthly. This assessment will include consideration of credit ratings from all three main credit ratings agencies and other alternative assessments of credit strength (for example, statements of potential government support, which now includes resolution mechanisms for failing financial institutions, CDS information, the composition of an institution's balance sheet liabilities). The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.</p> <p>The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.</p> <p>Higher time and cash limits may be set for secured investments (e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress).</p> <p>Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.</p>
<p>Approved methodology for changing limits and adding/removing counterparties</p> <p><u>Risk management:</u></p> <p>(a) creditworthiness deteriorates below the minimum criteria</p> <p>(b) ratings are placed on review for downgrade</p>	<p>The CFO has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above.</p> <p>Where an entity's credit rating is downgraded so that it fails to meet the minimum criteria, then:</p> <ul style="list-style-type: none"> • no new investment 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 other existing investments with the affected counterparty <p>Where a credit rating is placed on review for possible downgrade (also termed 'rating watch negative' or 'credit watch negative') so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the rating review has been completed and its outcome known.</p> <p>The policy in (b) will not apply for 'negative outlooks' which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.</p>

Counterparty list and limits	<p>A full individual listing of banking* counterparties based on the criteria will be maintained. As credit ratings etc. are subject to change without notice, an up-to-date lending list will be maintained on an ongoing basis within the Procedure Notes file.</p> <p>*it may be impractical to determine a specific list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria and whether the security is secured or unsecured will determine its selection for investment.</p> <p>The Council's external fund manager(s) will adhere to the counterparty credit criteria and maximum individual limits set by the Council; however it is understood that the fund manager(s) may use a subset of the list so derived.</p>
Details of credit rating agencies' services and their application	<p>The Council considers the ratings of all the three main credit rating agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.</p> <p>No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the minimum credit rating criteria</p>
Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment	<p>The Council's Treasury Advisor, Arlingclose, provides timely information on counterparties, in terms of credit rating updates and economic summaries. CDS information is received monthly, as well as information on share price.</p> <p>The Council's treasury advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a banks unsecured liabilities should this be required by the regulatory authorities.</p> <p>In addition, the Principal Group Accountant reads quality financial press for information on counterparties.</p>
Country, sector and group listings of counterparties and overall limits applied to each, where appropriate	<p>Investments will be displayed to show total group exposure, total country exposure and total sector exposure.</p> <p>Group limits have been set for the above, in terms of monetary value, where appropriate. Group limits for organisations under the same ownership will be set at the same level as the lead institution in that group</p>

Liquidity Risk Management

Liquidity risk is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

Principle

The CFO will ensure the Council has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to fund future debt maturities.

Schedule

Cash flow and cash Balances	<p>The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain a rolling daily and monthly cash flow forecast.</p> <p>The treasury team shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned.</p> <p>In order to achieve the maximum return from investments, a daily cash balance of +/- £50,000 is the objective for the Council's bank account.</p>
Short term investments	<p>The Council holds a call account with HSBC (our bankers) to act as a sweeping account to deal with day-to-day cash flow fluctuations.</p> <p>The Council also uses various reserve/call accounts and money market funds to manage its liquidity requirements. These accounts/funds are named on the Council's approved counterparty list. We review and set the maximum balance on each of these accounts as part of the Council's annual capital and investment strategy.</p> <p>Short-term investments through the money market, mainly for cash flow purposes, are managed in-house. We review and set the maximum balance on each of these accounts as part of the Council's annual capital and investment strategy.</p>
Temporary Borrowing	<p>Temporary borrowing up to 364 days through the money market is available should there be a cash flow deficit at any point during the year.</p> <p>At no time will the outstanding total of temporary and long-term borrowing, together with any bank overdraft, exceed the Prudential Indicator for the Authorised Borrowing Limit, set out in the annual capital and investment strategy, agreed by Council before the start of each financial year.</p>
Bank Overdraft and standby facilities	<p>The Council has an authorised overdraft limit with its bankers HSBC of £500,000 at an agreed rate of 1.75% over base rate, renewable annually.</p> <p>The facility is used as a contingency when temporary borrowing is difficult or more expensive.</p>

Interest Rate Risk Management

Interest Rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

Principle

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP6: Reporting requirements and management information arrangements*.

Schedule

<p>Minimum/ maximum proportions of fixed/variable rate debt/interest</p>	<p>Borrowing/investments may be at a fixed or variable rate.</p> <p>The Prudential Code requires the Council to determine each year the maximum proportion of interest payable on net borrowing, which is subject to fixed and variable interest rates. We set this each year as part of the annual budget setting process and the annual capital and investment strategy.</p> <p>In setting our forward treasury strategy on an annual basis, we will determine the necessary degree of certainty required for our plans and budgets but will allow sufficient flexibility enable us to benefit from potentially advantageous changes in market conditions and level of interest rates and also to mitigate the effects of potentially disadvantageous changes.</p> <p>The Council will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility.</p>
<p>Managing changes to interest rate levels</p>	<p>The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest, and those borrowed or invested for a shorter period of time.</p> <p>The Council will consider matching borrowing at variable rates with investments similarly exposed to changes in interest rates as a way of mitigating any adverse budgetary impact.</p> <p>The Council may determine it is more cost effective in the short-term to fund its borrowing requirement through the use of internal resources ('internal borrowing) or through borrowing short-term loans. The benefits of such borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing or refinancing in future years when interest rates are expected to be higher.</p> <p>Interest rate forecasts are provided by the Council's advisors and are closely monitored by the Principal Group Accountant. Variations from original estimates and their impact on the Council's debt and investments are notified to the Executive quarterly as part of the budget monitoring process.</p> <p>We maintain an Interest Rate Equalisation Fund in the accounts to address interest rate risk.</p> <p>For our investments, we also consider dealing from forward periods dependent upon market conditions. The Council's counterparty term limits will apply and will include the forward period of the investment.</p>

Details of approved interest rate exposure limits	<p>The upper limits on net fixed interest rate and net variable interest rate exposures are determined each year as part of the treasury management indicators included as part of the annual capital and investment strategy.</p> <p>We invest internally managed funds primarily to meet future cash outflow requirements and we place deposits for periods so that funds are available when required. In the event that surplus funds are available for investment for longer periods, or forward deals, the annual capital and investment strategy details our policy.</p>
Details of hedging tools used to manage risk	<p>The Council's legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Act is not sufficiently explicit. Consequently, the Council does not intend to use derivatives to manage interest rate risk.</p> <p>Should this position change, the Council will develop a detailed risk management framework governing the use of derivatives, but this will also require full Council approval.</p>

Exchange Rate Risk Management

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

Principle

The Council will ensure that it protects itself adequately against the risk of fluctuations in foreign exchange rates creating an unexpected or unbudgeted burden on the Council's finances. It will manage any exposure to fluctuations in exchange rates so-as-to minimise any detrimental impact on its budgeted income/expenditure levels.

Schedule

Exchange rate risk management	<p>This Council does not, on a day-to-day basis, have foreign currency transactions or receipts. Unexpected receipt of foreign currency will be converted to sterling at the earliest opportunity.</p> <p>If the Council has a contractual obligation to make a payment in a currency other than sterling then forward foreign exchange transactions will be considered, with professional advice.</p> <p>At the present time statute prevents the Council borrowing in currencies other than Sterling. The Council has also determined that all its investments will be in Sterling.</p>
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Refinancing Risk Management

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Principle

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

Schedule

<p>Projected capital investment requirements</p>	<p>Five year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves and any grants or contributions, revenue resources or reserves. Funding will be from internal or external borrowing, as decided.</p> <p>We also have a ‘capital vision’, which holds details of possible capital income and expenditure in the future.</p> <p>As required by the Prudential Code, the Council will undertake an Options Appraisal exercise to evaluate the best capital expenditure financing route.</p> <p>The Council’s projected long-term borrowing requirement will be linked to the liability benchmark.</p>
<p>Debt profiling, policies and practices</p>	<p>Any longer term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council’s Prudential Indicators and the annual capital and investment.</p> <p>The Council will maintain, through its treasury system, currently Latima, reliable records of the terms and maturities of its borrowings, capital, project and partnership funding and, where appropriate, plan and successfully negotiate terms for its refinancing.</p> <p>Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.</p>
<p>Policy concerning limits on revenue consequences of capital financings</p>	<p>The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.</p>

Legal and Regulatory Risk Management

The risk that the Council itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

Principle

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. We will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing our credit and counterparty policy under *TMP1(1): Credit and counterparty risk management*, we will ensure that there is evidence of counterparties’ powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Schedule

<p>References to relevant statutes and regulations</p>	<p>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are:</p> <ul style="list-style-type: none"> ▪ CIPFA's Treasury Management Code of Practice 2001 and subsequent amendments ▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities ▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ The CLG's statutory Guidance on Minimum Revenue Provision (MRP) ▪ Pensions, England and Wales – The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 – SI 2009 No 3093 ▪ The ODPM's (now CLG's) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments ▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883 ▪ LAAP Bulletins ▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2011-12 onwards) ▪ Accounts and Audit Regulations 2003, as amended together with CLG's Guidance ▪ The Localism Act ▪ The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets. ▪ CLG's Self-Financing Policy Documentation and subsequent amendments ▪ Council's Constitution including:- <ul style="list-style-type: none"> ○ Standing Order relating to Contracts ○ Financial Procedure Rules ○ Scheme of Delegation
<p>Procedures for evidencing the organisation's powers/ authorities to counterparties</p>	<p>The Council's Financial Procedure Rules contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Executive.</p> <p>The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.</p> <p>Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.</p>
<p>Required information from counterparties concerning their powers/ authorities</p>	<p>We shall only lend to institutions on our authorised lending list, or in securities which meet the Council's approved credit criteria.</p> <p>The Council will only undertake borrowing from approved sources listed in <i>TMP 4: Approved Instruments, Methods and Techniques</i>.</p>
<p>Statement on political risks and management of the same</p>	<p>Political risk is managed by:</p> <ul style="list-style-type: none"> • adoption of the CIPFA Treasury Management Code of Practice • adherence to Corporate Governance (<i>TMP 12 – Corporate Governance</i>) • adherence to the Statement of Professional Practice by the CFO • the roles of the Corporate Governance and Standards Committee

Fraud, Error and Corruption, and Contingency Management

This is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

Principle

The Council will ensure that we have identified the circumstances which may expose us to the risk of loss through fraud, error, corruption or other eventualities in our treasury management dealings. Accordingly, we will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Schedule

<p>Details of systems and procedures to be followed, including Internet services</p>	<p>Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in <i>TMP5: Organisation, clarity and segregation of responsibilities, and dealing arrangements</i>.</p> <p>We review officer access to all systems at least six-monthly or as necessary.</p> <p>1. <u>Electronic Banking and Dealing</u></p> <p>(a) <u>Banking</u>: The Council's online banking service provided by HSBC is subject to separate log-on and security device control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers having access to the bank's online system are as follows:</p> <p><u>System Administrators</u></p> <ul style="list-style-type: none"> • Principal Group Accountant • Accountancy Technician (Capital, Treasury and Assets) • Head of Financial Services (HoFS) <p><u>Officers who can authorise payments</u></p> <ul style="list-style-type: none"> • Director of Resources • HoFS • Principal Group Accountant • Principal Management Accountant • Senior Financial Reporting Accountant <p><u>Other end users</u></p> <ul style="list-style-type: none"> • Accountant (Capital, Treasury and Assets) • Accountancy Assistant – Financial and Reporting • Cash office / payments staff <p>(b) Access to the Council's <u>treasury management system</u>, currently Latima, is limited to those officers listed below, each having a separate log-on and password.</p> <ul style="list-style-type: none"> • Principal Group Accountant • Accountancy Technician (Capital, Treasury and Assets) • Accountant (Capital, Treasury and Assets) • Accountancy Intern <p>Full procedure notes covering the day-to-day operation of the on-line banking system and the treasury management system are held in the Procedure Notes file, and electronically on the Council's network.</p> <p>2. <u>Standard Settlement Instructions (SSI)</u> list: a list is maintained of named officers who have the authority to transact loans and investments:</p> <ul style="list-style-type: none"> • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI list. • A list of named officers with authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility is also maintained with the PWLB/DMA DF. <p>3. <u>Payment Authorisation</u> :</p> <ul style="list-style-type: none"> • Payments can only be authorised by agreed cheque signatories of the Council, the list of signatories having previously been agreed with the Council's bank. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts, or their nominated custody account. • Separate officers will carry out (a) dealing and (b) recording of transactions and disbursements.
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Verification	<p>Loans and investments will be maintained in spreadsheet registers and the treasury management system which will include fees and brokerage paid.</p> <p>Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc.</p> <p>When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee before altering payment details.</p>
Substantiation	<ol style="list-style-type: none"> 1. The treasury management system balances are reconciled with financial ledger codes at the end of each month and at the financial year-end. 2. Working papers are retained for audit inspection. 3. The bank reconciliation is carried out monthly from the bank statement to the general ledger.
Internal Audit	<p>Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. <i>See TMP7: Budgeting, accounting and audit arrangements.</i></p>
Contingency Management	<ol style="list-style-type: none"> 1. Treasury systems, other than Latima, are retained on the Council's network. Daily back-ups are taken and maintained and network back-ups can be used by ICT to restore files, if necessary. 2. Backups for Latima are carried out by the provider as part of the contract and include a daily electronic backup to an appropriate medium for off-site storage. 3. Temporary off-site working facility: The officers who can avail of this facility following an emergency are Principal Group Accountant, Accountancy Technician (Capital, Treasury and Assets) who will individually be made aware of the procedures to follow. 4. Electronic Banking System Failure: Emergency procedures have been agreed with HSBC, for instance manual CHAPS payments can be undertaken and balances can be provided over the phone.
Insurance Cover details	<p>The Council has Fidelity Guarantee cover up to £5 million. Details of the provider and cover are held by the Payroll and Insurance Manager.</p>

Market Risk Management

This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

Principle

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

Schedule

<p>Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc)</p>	<p>Investment instruments used by the external fund managers are subject to fluctuation in capital movements and exposed to interest rate risk. In order to minimise these risks capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective.</p> <p>Additionally the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk</p> <p>(a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts/bonds; (c) Maximum maturity of any instrument.</p> <p>Pooled funds with a Variable Net Asset Value (VNAV) – the Council may use these types of funds in line with its capital and investment strategy and on advice from its treasury advisors.</p> <p>The annual TMSS sets out the details and limits that can be invested in these sorts of instruments.</p>
<p>Accounting for unrealised gains/losses</p>	<p>The method of accounting for unrealised gains or losses on the valuation of financial assets comply with Accounting Code of Practice.</p> <p>VNAV pooled funds will be treated as Available for Sale Assets. Segregated funds with external managers will be treated as Fair Value through Profit or Loss.</p>

TMP 2: PERFORMANCE MEASUREMENT

Principle

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, or the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out below.

Schedule

<p>Policy concerning methods for testing value for money</p>	<p>Best value reviews will include the production of plans to review the way services are provided by</p> <ul style="list-style-type: none">• Challenging• Comparing performance• Consulting with other users and interested parties• Applying competition principles <p>in order to pursue continuous improvement in the way the Council's functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.</p> <p>The Council is a member of CIPFA benchmarking club, and benchmarking is provided by the Council's treasury management advisors, Arlingclose, against their clients.</p> <p>As well as enabling comparison of performance with other authorities over a range of operations, the clubs provide a forum to discuss treasury management issues, and provide opportunities to review further and improve treasury management operations.</p> <p>The Council is a member of the Surrey treasury management officers group who meet twice a year to discuss treasury management issues.</p>
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Appendix 11

<p>Policy concerning methods for performance measurement</p>	<ul style="list-style-type: none"> • Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Capital and Investment Strategy and the Council's Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between authorities. • The Council will use local indicators as set out in the Capital and Investment Strategy • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council's agreed strategy, i.e. the Council will avoid hindsight analysis. <p>Any comparison of the Council's treasury portfolio against recognised industry standards, market indices and other portfolios is intended to</p> <ul style="list-style-type: none"> (i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and (ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. <p>In drawing any conclusions the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.</p>
<p>Methodology to be applied for evaluating the impact of treasury management decisions</p>	<p>Monitoring of the outcome of treasury management activity against Prudential Indicators and Performance Indicators approved by the Council is carried out on a monthly basis and reported to the HoFS/CFO, as part of the monthly Treasury Management monitor.</p> <p>The monthly budget monitoring report to Corporate Management Team includes an interest projection, compared to budget, to highlight any potential surpluses or deficits on return on investments in the year.</p> <p>Quarterly monitoring is presented to the Corporate Governance and Standards Committee as part of the Financial Monitoring report of the Council.</p> <p>The year-end Annual Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments.</p> <p>The Council's Treasury Management advisers review the existing debt portfolio on a regular basis and all transactions that have occurred in the interim in order to ensure that best practice has been achieved.</p> <p>The Council's treasury management advisors compare the performance of the Council's in-house funds against the cash benchmark and the performance of the externally managed funds is benchmarked against each funds individually set benchmark. Performance is also compared with funds managed on a similar basis in the local authority manager peer group.</p>

<p>Methodology to be employed for measuring the performance of the Council's treasury management activities</p>	<p>Treasury management activity is reviewed monthly against strategy and prevailing economic and market conditions through the treasury management monitoring report presented to HoFS/CFO.</p> <p>The report will include:</p> <ol style="list-style-type: none"> a) Total debt including average rate and maturity profile b) The effect of new borrowing and/or maturities on the above c) The effect of any debt restructuring on the debt portfolio d) An analysis of any risks inherent within the debt portfolio (e.g. exposure to variable rate) e) Total investments including average rate, credit and maturity profile f) The effect of new investments/redemptions/maturities on the above g) The rate of return on investments against their indices for internally and externally managed funds h) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of CDs, gilts/bonds, callable deposits in their call period) i) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within the capital and investment strategy. j) Performance Indicators against target k) Daily bank balances: any major deviations from the target bank balances
<p>Benchmarks and calculation methodology with regard to risk and return</p>	<p>Treasury Management Costs Costs are split into debt management, investment management and other. Investment management is then shown as cost per £m invested, and debt management costs per £m value of debt.</p> <p>Investment returns are compared to the 7-day rate or the Bank of England base rate.</p> <ul style="list-style-type: none"> • internally managed investment returns - total interest accruing during the month or year on average daily balances invested during the calendar month. • externally managed investment returns - the growth (i.e. increase in value of the fund) in respect of the monthly average value of the fund. <p>Debt Management</p> <ul style="list-style-type: none"> ▪ average rate on all external debt ▪ average rate on external debt borrowed in financial year ▪ average rate on internal borrowing ▪ average period to maturity of external debt ▪ average period to maturity of new loans in financial year ▪ ratio of PWLB and market debt (beginning and end of period) ▪ ratio of fixed and variable rate debt (beginning and end of period)

<p>Best value</p>	<p>The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated corporate and service objectives.</p> <p>When tendering for treasury-related or banking services, the Council adheres to its Financial Procedure Rules. These require that:</p> <ul style="list-style-type: none"> a) for contracts under £xx, at least x quotes and service delivery proposals are generally obtained b) when placing a contract with a value in excess of £xx, a tendering process that meets the requirements of the EU procurement procedures (OJEU) is undertaken. c) if necessary, the Council will also consult with other users of similar services as well as with interested parties. d) the Council will also evaluate alternative methods of the availability of fiscal, grant or subsidy initiatives, and service delivery.
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TMP 3: DECISION-MAKING AND ANALYSIS

Principle

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issued relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.

Schedule

Major treasury decisions	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either:</p> <ul style="list-style-type: none"> a) changes to Prudential Indicator(s) during the course of the financial year b) Options Appraisal to determine a funding decision c) raising a new long-term loan / long-term source of finance d) prematurely restructuring/redeeming an existing long-term loan(s) d) investing longer-term (i.e. in excess of 1-year) f) utilisation of investment instruments which constitute capital expenditure (i.e. loan capital/share capital in a body corporate) g) leasing h) change in banking arrangements i) appointing/replacing a treasury advisor j) appointing/replacing a fund manager
Process	<p>The Council's strategy for the application of its treasury policy is set out in the annual capital and investment strategy.</p> <p>Based on the annual Treasury Management Strategy, the CFO will prepare, monthly, for the ensuing 12 months rolling forecasts of the financing, borrowing and surplus cash requirements of the Council, for the purpose of:</p> <ul style="list-style-type: none"> • applying the strategy on a day-to-day basis • monitoring the results of the strategy • recommending amendments to the strategy to the Executive, where applicable, during the course of the year.
Delegated powers for treasury management	<p>The CFO has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.</p>

<p>Issues to be addressed, evaluation, authorisation</p>	<p>In exercising these powers, the CFO, and those to whom the treasury activity have been delegated, will</p> <ul style="list-style-type: none"> • have regard to the nature and extent of any associated risks to which the Council may become exposed; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties parties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; • follow best practice in implementing the treasury transaction. <p>In exercising Borrowing and Funding decisions, the CFO will</p> <ul style="list-style-type: none"> • evaluate economic and market factors that may influence the manner and timing of any decision to fund; • consider alternative forms of funding, including use of revenue resources, leasing and private partnerships; • consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created; • where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years. <p>In exercising Investment decisions, the CFO will</p> <ul style="list-style-type: none"> • determine that the investment is within the Council's strategy and pre-determined instruments and criteria; • consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; • the credit risk associated with unsecured investments with banks and building societies • consider the alternative investment products and techniques available if appropriate.
<p>Processes to be followed</p>	<p>The processes to be followed will be in keeping with <i>TMP 4: The Council's Approved, Instruments, Methods and Techniques</i>.</p>
<p>Evidence and records to be kept</p>	<p>The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly.</p> <p>Records and working papers will be maintained by the Council electronically, and /or in relevant files.</p>

TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

Principle

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in *TMP1 Risk Management*.

Schedule

<p>Approved treasury management activities</p>	<p>The Council is permitted to undertake the following activities:</p> <ul style="list-style-type: none"> ▪ managing cashflow ▪ capital financing ▪ borrowing including debt restructuring and debt repayment ▪ lending including redemption of investments ▪ banking ▪ leasing ▪ managing the underlying risk associated with the Council's capital financing and surplus funds activities. <p>The above list is not finite and the Council would, from time-to- time, consider and determine new financial instruments and treasury management techniques. The Council will, however, consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.</p>
<p>Approved capital financing methods and types/sources of funding</p>	<ul style="list-style-type: none"> • Public Works Loans Board (PWLB) loans • long term money market loans including LOBOs • temporary money market loans (up to 364 days). • bank overdraft • loans from bodies such as the European Investment Bank (EIB) • stock issues • operating and finance Leases • deferred Purchase • Government and EU Capital Grants • lottery monies • other Capital Grants and Contributions • private finance initiative • hire purchase • sale and leaseback <p><u>Internal Resources</u></p> <ul style="list-style-type: none"> • Capital receipts • Revenue balances • Use of Reserves <p><u>Approved sources of long-term and short-term borrowing include:</u></p> <ul style="list-style-type: none"> ▪ PWLB and its successor body ▪ any institutions approved for investments ▪ any other bank or building society authorised to operate in the UK ▪ UK public and private sector pension funds (other than SCC) ▪ Local Capital Finance Company and other special purpose vehicles created to enable local authority bond issues <p>The level of debt will be consistent with the capital and investment strategy and the Prudential Indicators.</p>

<p>Approved investment instruments</p>	<p>The Council will determine through our Annual Investment Strategy (AIS) which instruments we will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as 'Specified' or 'Non Specified' based on the criteria set out by the ODPM (now CLG) in its Investment Guidance March 2004 (as amended).</p> <p>The Council will determine through the Annual Investment Strategy (AIS) which instruments will be used in-house and which will be used by the appointed external fund manager(s) including the maximum exposure for each category of non-specified investments. Where applicable, the Council's credit criteria will also apply.</p> <p>Examples include, and are not limited to:</p> <ul style="list-style-type: none"> ▪ deposits with the UK government, the DMADF, and UK local authorities ▪ fixed term deposits with banks and building societies ▪ certificates of deposit ▪ Callable deposits ▪ investments in money market funds ▪ treasury bills ▪ gilts ▪ bonds issued by multilateral development banks ▪ sterling nominated bonds by non-UK sovereign governments ▪ covered bonds (ie those with underlying collateral) ▪ unsecured corporate bonds ▪ reverse repurchase agreements (reverse repo) ▪ investments with registered providers of social housing (ie housing associations) ▪ commercial paper ▪ floating rate notes ▪ pooled funds (ie collective investment schemes meeting the criteria in SI 2004 No 534 and subsequent amendments ▪ Pooled funds (ie collective investment schemes which do not meet the definition of collective investment schemes in SI 2004 No 534 and subsequent amendments – these will be capital expenditure investments <p>The use of the above instruments by the Council's fund manager will be by reference to the fund guidelines contained in the agreement between the Council and the manager.</p> <p>The external fund managers have the expertise to deal in CDs, treasury bills and corporate bonds and debt instruments, all of which are instruments that may expose the Council to changes in the value of capital.</p>
<p>Use of Derivatives</p>	<p>The general power of competence in Section 1 of the Localism Act 2011 removed much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).</p> <p>The Council intends to use derivative instruments for the management of risks, limited to those set out in the annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.</p> <p>Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.</p>

TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

Principle

The Council considers it essential, for the:

- purposes of the effective control and monitoring of its treasury management activities,
- reduction of the risk of fraud or error, and
- pursuit of optimum performance

that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the CFO will ensure that the reasons are properly reported in accordance with *TMP6: Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

The CFO will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The CFO will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The CFO will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the finance team in respect of treasury management are set out in the schedule below. The finance team will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

Schedule

<p>Limits to responsibilities at Executive levels</p>	<p>Full Council:</p> <ul style="list-style-type: none"> • receiving and reviewing Prudential Indicators as part of the budget setting process (following receipt by the Executive) • receiving and reviewing reports on treasury management policies, practices and activities (following receipt by the Executive) <p>The Executive:</p> <ul style="list-style-type: none"> • approval of amendments to adopted clauses, and treasury management policy statement • budget consideration and approval • receiving and reviewing external audit reports and acting on recommendations • approving the selection of external service providers and agreeing terms of appointment
<p>Principles and practices concerning segregation of duties</p>	<p>The segregation of duties will be determined by the CFO.</p> <p>Segregation of duties exists in that:</p> <ul style="list-style-type: none"> • the officer(s) responsible for negotiating and closing treasury management deals are completely separate from the officer with responsibility for recording the transactions in the cash book and completing cheque and bank reconciliations • the officer(s) responsible for negotiating and closing treasury management deals is separate from officer(s) authorising payments • all borrowing/investments decisions must be authorised by one of the Managing Director, CFO/HoFS, Deputy CFO, Director of Resources, Principal Group Accountant, Principal Management Accountant, Senior Financial Reporting Accountant . <p>Additionally, The Council receives bank statements on a daily basis.</p> <p>These are posted independent of the treasury function in order to maintain an adequate separation of duties.</p>

<p>Statement of duties/ responsibilities of each treasury post</p>	<p>The CFO is responsible for:</p> <ul style="list-style-type: none"> • submitting budgets and budget variations • recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance • determining Prudential Indicators and treasury management strategy including the Annual Investment Strategy (AIS) • submitting regular treasury management policy reports • receiving and reviewing management information reports • reviewing the performance of the treasury management function and promoting best value reviews • ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function • ensuring the adequacy of internal audit and liaising with external audit • recommending the appointment of external service providers • determining long-term capital financing and investment decisions. <ul style="list-style-type: none"> • The CFO has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments. <ul style="list-style-type: none"> • The CFO may delegate her power to borrow and invest to Principal Group Accountant, Accountant (Capital, Assets and Treasury) Accountancy Technician (Capital, Assets and Treasury), <p>Principal Group Accountant</p> <ul style="list-style-type: none"> • Deputise for the CFO in their absence • execution of transactions • adherence to agreed policies and practices on a day-to-day basis • maintaining relationships with third parties and external service providers • monitoring performance on a day-to-day basis • submitting management information reports to the responsible officer • identifying and recommending opportunities for improved practices. • prepare the capital and investment strategy <p>Accountancy Technician (Capital, Assets and Treasury)</p> <ul style="list-style-type: none"> • execution of transactions • reconciling treasury management transactions to the general ledger • recording / reconciling counterparty documentation and custody accounts <p>Accountant (Capital, Assets and Treasury)</p> <ul style="list-style-type: none"> • execution of transactions • adherence to agreed policies and practices on a day to day basis <p>Accountancy Assistant – Financial Reporting</p> <ul style="list-style-type: none"> • recording treasury management transactions and investment income in the cash book, • cheque and bank reconciliation
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Absence cover arrangements	<p>Cover in the absence of the Principal Group Accountant is provided by</p> <ul style="list-style-type: none"> • Accountancy Technician (Capital, Assets and Treasury) • Accountant (Capital, Assets and Treasury) • Accountancy Intern • Head of Financial Services <p>Cover is reviewed at least every six months, or as necessary.</p> <p>Full procedure notes are available, detailing the processes required to enable the day-to-day operation of the treasury management function.</p>
Description of the relationships between the chief finance officer, the monitoring officer and the head of paid service.	<p>The Managing Director is the Head of Paid Service. The Head of Financial Services is the s1515 officer. The legal Services manager and the audit and performance manager are the Monitoring Officers. They report to the Director of Resources and the Managing Director respectively.</p>

Dealing

Authorised officers	<p>Responsible officers for borrowing/investment decisions:</p> <p><u>Borrowing activity</u></p> <ul style="list-style-type: none"> • HoFS • Principal Group Accountant • Accountancy Technician (Capital, Assets and Treasury) • Accountant (Capital, Assets and Treasury) <p><u>Lending activity</u></p> <ul style="list-style-type: none"> • HoFS • Principal Group Accountant • Accountancy Technician (Capital, Assets and Treasury) • Accountant (Capital, Assets and Treasury) <p><u>Authorising payments for borrowing/lending (HSBC net)</u></p> <ul style="list-style-type: none"> • HoFS • Principal Group Accountant • Principal Management Accountant • Senior Financial Reporting Accountant • Director of Resources <p><u>Transaction recording (bank statements)</u></p> <ul style="list-style-type: none"> • Accountancy Assistant – financial reporting
Dealing limits	<p><u>Internally Managed Investments</u></p> <ul style="list-style-type: none"> • the maximum for any one investment deal is subject to the lending limits detailed in the Council's AIS <p><u>Externally Managed Investments</u></p> <ul style="list-style-type: none"> • the maximum amount placed with any single financial institution is detailed in the Council's AIS
List of approved brokers	<p>Brokers used by the Council are named in <i>TMP 11: External Service Providers</i></p>
Policy on brokers' services	<p>It is the Council's policy to utilise the services between at least two brokers. The Council will maintain a spread of business between them in order to avoid relying on the services of any one broker.</p>
Policy on taping of conversations	<p>Conversations with brokers are taped by the brokers. No taping is carried out by the Council at present.</p>

Direct dealing practices	<p>Direct dealing is carried out with institutions and with external pooled funds identified in the procedure notes file subject to counterparty and maturity limits and dealing limits.</p> <p>Prior to undertaking direct dealing, the Council will ensure that each counterparty/fund has been provided with the Council's list of authorised dealers and the Council's Standard Settlement Procedures.</p>
Deal Ticket pro forma	Deals will be recorded as per the deal ticket pro-formas (pro forma maintained at operational level)
Settlement transmission procedures	<ul style="list-style-type: none"> • settlements are made by online by CHAPS • all CHAPS payments relating to settlement transactions require authorisation by an authorised officer, • all CHAPS payments require authorisation online by an authorised signatory as set out in <i>TMP:1 Risk Management (Fraud, error and corruption and contingency management)</i>
Documentation requirements	<p>For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date(s), broker.</p> <p>Investments</p> <ul style="list-style-type: none"> • deal ticket authorising the investment • confirmation from the broker • confirmation from the counterparty • contract notes for the purchase and sale of shares/units in pooled funds from the fund's manager/administrator • Chaps payment transmission document <p>Loans</p> <ul style="list-style-type: none"> • deal ticket with signature to agree loan • confirmation from the broker • confirmation from PWLB/market counterparty • Chaps payment transmission document for repayment of loan.
Arrangements concerning the management of counterparty funds	<p>The CFO has responsibility for updating the Council's records with any credit developments.</p> <p>The Principal Group Accountant is tasked with the responsibility for checking that records have been correctly updated to reflect any credit developments</p>

TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Principle

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies

- on the effects of decisions taken and transactions executed in pursuit of those policies;
- the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and
- the performance of the treasury management function.

As a minimum, the Executive will receive:

- an annual report on the strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation’s treasury management policy statement and TMPs.

The CFO and Councillors will receive regular monitoring reports on treasury management activities and risks.

The Corporate Governance and Standards Committee will have responsibility for the scrutiny of treasury management policies and practices.

The present arrangements and the form of these reports are outlined below.

Schedule

<p>Frequency of executive reporting requirements</p>	<p>The CFO will annually submit budgets and will report on budget variations as appropriate.</p> <p>The CFO will submit the Prudential Indicators and the Treasury Strategy Statement (including Annual Investment Strategy) and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Executive and full Council before the start of the year.</p> <p>The Annual Treasury Report will be prepared as soon as practicable after the financial year-end and, in all cases, before the end of September, and reported to Corporate Governance and Standards Committee, the Executive and full Council.</p> <p>A Mid-Year Treasury Report will be prepared by the Principal Group Accountant which will report on treasury management activities for the first part of the financial year. The report will also provide a forecast for the current year. The mid-year report will be submitted to the Corporate Governance and Standards Committee during the year.</p> <p>Monthly reports are reported and discussed internally as part of the monthly treasury management strategy meetings</p>
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<p>Content of Reporting: 1. Prudential Indicators</p>	<p>The Council will set the following Prudential Indicators, revise if necessary, and in its annual / semi-annual reports publish actual outturn (where appropriate) in respect of, as a minimum</p> <ul style="list-style-type: none"> ▪ Financing costs as a proportion of net revenue stream (estimate; actual) ▪ Capital expenditure (estimate; actual) ▪ Incremental impact of capital financing decisions (estimate) ▪ Capital Financing Requirement (estimates; actual) ▪ Authorised limit for external debt ▪ Operational boundary for external debt ▪ Actual external debt ▪ Upper limits on fixed and variable rate interest exposures ▪ Upper and lower limits to maturity structure of fixed rate borrowing ▪ Upper limit to total of principal sums invested longer than 364 days. <p>The Prudential Indicators are approved and revised by the Executive and full Council and are integrated into the Council's overall financial planning and budget process.</p> <p>The Corporate Governance and Standards Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
<p>2. Treasury Strategy Statement including the Annual Investment Strategy</p>	<p>The capital and investment strategy integrates with the Prudential Indicators being set and will include the following</p> <ul style="list-style-type: none"> • link to capital financing and treasury management Prudential Indicators for the current and ensuing five years • strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next three years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy for the forthcoming year(s) (<i>see below*</i>) • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. <p>*Based on the CLG Guidance on Investments, the Council will produce an AIS which sets out</p> <ul style="list-style-type: none"> ▪ the objectives, policies and strategy for managing its investments; ▪ the determination of which Specified and Non-Specified Investments the Council will utilise during the forthcoming financial year(s) based on the Council's economic and investment outlook and the expected level of investment balances; ▪ the limits for the use of Non-Specified Investments. <p>The AIS will be integrated into the treasury strategy statement.</p> <p>The Corporate Governance and Standards Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>

<p>3. Annual Treasury Report</p>	<p>The CFO will produce an annual report for the Executive on all activities of the treasury management function (including the performance of fund managers) as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year.</p> <p>The main contents of the report will comprise</p> <ul style="list-style-type: none"> ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the FY; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities undertaken and the future impact on treasury activities of the Council ▪ compliance with agreed policies/practices and statutory/regulatory requirements ▪ compliance with Prudential Indicators; ▪ performance measures. <p>The Corporate Governance and Standards Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
<p>4. Mid-Year Treasury Report</p>	<p>The CFO will produce a mid-year report for Councillors on the borrowing and investment activities of the treasury management function (including performance of fund managers) for the first six months of the financial year.</p> <p>The main contents of the report will comprise</p> <ul style="list-style-type: none"> • Economic background • Economic forecast (including interest rates forecast) • Treasury Management Strategy Statement update • Performance versus benchmarks • Borrowing information (including premature repayment, new loans information) • Information on investments, including current lending list • Prudential indicators relating to treasury management • Governance framework and scrutiny arrangements <p>The Corporate Governance and Standards Committee will receive a copy of this report as part of the financial monitoring of the Council, to carry out its scrutiny role of treasury management.</p>

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<p>Content and frequency of management information reports</p>	<p>The Principal Group Accountant produces a monthly monitoring report for the CFO/HoFS, and the Lead Councillor for Finance.</p> <p>This report includes details of:</p> <ul style="list-style-type: none">• borrowing and investment activity undertaken• performance of internal and external investments against benchmark• cash flow monitoring• interest rates and forecasts• extent of compliance with the treasury strategy and reasons for variance (if any)• any other, e.g. details of daily bank balances against target balances• Prudential Indicator monitoring and compliance• performance indicator monitoring• reconciliations of temporary investments, balances and interest
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TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Principle

The CFO will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with *TMP1: Risk management*, *TMP2: Performance measurement*, and *TMP4: Approved instruments, methods and techniques*. The form which the Council’s budget will take is set out in the schedule below.

The CFO will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with *TMP6: Reporting requirements and management information arrangements*.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council’s accounts is set out in the schedule.

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed below.

Schedule

Statutory/regulatory requirements	<p>Balanced Budget Requirement : The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects:</p> <ul style="list-style-type: none"> (a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and (b) revenue costs which flow from capital financing decisions. <p>S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</p>
Proper accounting practice	<p>CIPFA’s Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the local authority SORP) constitutes “proper accounting practice under the terms of S21 (2) of the Local Government Act 2003”.</p>

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Financial Statements	<p>The Financial Statements comprise:</p> <ul style="list-style-type: none"> ▪ An explanatory foreword ▪ Accounting policies, changes in accounting estimates and errors ▪ Presentation of financial statements ▪ Movement in reserves statement ▪ Comprehensive income and expenditure statement ▪ Balance sheet ▪ Cash flow statement ▪ Housing revenue account ▪ Collection Fund (England) ▪ Statement of Responsibilities ▪ The Accounting Statements ▪ Additional Financial Statements (Housing Revenue Account, Collection Fund) ▪ Notes to the financial statements ▪ Statements reporting reviews of internal controls or internal financial controls ▪ Events after the reporting period ▪ Related party disclosures
Format of the Council's accounts	<p>The current form of the Council's accounts is available within the Financial Services department.</p>
Disclosures relating to treasury management	<p>Due regard will be given to the disclosure requirements under CIPFA's Accounting Code of Practice.</p>
Treasury-related information requirements of external auditors	<p>The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers.</p> <p>Information in this context includes internally generated documents including those from the Council's treasury management system, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function.</p> <ul style="list-style-type: none"> ▪ Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. ▪ Prudential Indicators. ▪ Capital and Investment Strategy including the AIS. <p><u>External borrowing:</u></p> <ul style="list-style-type: none"> • new loans borrowed during the year: PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • loan maturities in the year • compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • analysis of loans outstanding at year end including maturity analysis. • analysis of borrowing between long- and short-term • debt management and financing costs <ul style="list-style-type: none"> ▪ calculation of (i) interest paid (ii) accrued interest ▪ interest paid • MRP calculation and analysis of movement in the CFR. • bank overdraft position. • brokerage/commissions/transaction related costs.

	<p><u>Investments:</u></p> <ul style="list-style-type: none"> • investment transactions during the year including any transaction-related costs • cash and bank balances at year end • short-term investments at year end • long-term investments at year end (including investments in associates and joint ventures) by asset type, including unrealised gains or losses at year end • calculation of (i) interest received (ii) accrued interest • actual interest received • external fund manager valuations including investment income schedule and movement in capital values, transaction confirmations received (if any) • basis of valuation of investments • evidence of existence and title to investments (e.g. Custodian's Reports; • schedule of any investments in companies together with their latest financial statements); statement of transactions between the company and the Council.
	<p><u>Cash Flow</u></p> <ul style="list-style-type: none"> ▪ reconciliation of the movement in cash to the movement in net debt ▪ cash inflows and outflows (in respect of long-term financing) ▪ cash inflows and outflows (in respect of purchase/sale of long-term investments) ▪ net increase/decrease in (i) short-term loans (ii) short-term deposits (iii) other liquid resources <p><u>Other</u></p> <ul style="list-style-type: none"> ▪ external advisors'/consultants' charges
Internal Audit	<p>Internal Audit generally conducts an annual review of the treasury management function and probity testing.</p> <p>The internal auditors will be given access to treasury management information/documentation as required by them.</p>
Compliance with CIPFA Treasury Management and Prudential Codes	<p>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.</p> <p>Any serious breach of the TM Code's recommendations or Prudential Indicators should be brought to the attention of the external auditor.</p>
Costs for treasury management	<p>The budget for treasury management forms part of the Corporate Services budget. Investment income and borrowing costs form a separate item in the Council's accounts.</p>

TMP 8: CASH AND CASH FLOW MANAGEMENT

Principle

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the CFO, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the CFO will ensure that these are adequate for the purposes of monitoring compliance with *TMP1 [2] liquidity risk management*. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.

Schedule

<p>Arrangements for preparing /submitting cash flow statements</p>	<p>Cash flow forecasts will be viewed over five time horizons and will be used to formulate the Council's borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances.</p> <p>The cash flow forecasts and statements are held at operational level electronically.</p> <p>The accuracy and effectiveness of the Council's cash flows are dependent on the accuracy of estimating expenditure, income and their corresponding time periods.</p> <p>An outline medium-term cash flow model is prepared as part of the budget process, with projections for five further years. It is summarised and looks mainly at cash flows arising from the capital programme, the in-year capital financing requirement, scheduled loan repayments and long-term investment maturities, and anticipated movements in reserves.</p> <p>A detailed annual cash flow is prepared for the financial year once the budget for the ensuing year has been agreed, which is monitored and updated on a monthly basis. It identifies the major inflows and outflows on a month-by-month basis.</p> <p>It is prepared using the agreed revenue budget and capital programme for the financial year and based on the knowledge obtained from the Council's various service sections incurring the expenditure /receiving the income and can be supplemented by the experience from previous years.</p> <p>Daily cash flows show forecast and planned movements of cash on a daily basis, including the matching of known inflows and payments. This is recorded in the Latima system.</p>
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<p>Content and frequency of cash flow projections</p>	<p>The detailed annual cash flow model includes the following:</p> <ul style="list-style-type: none">• revenue income and expenditure based on the budget.• profiled capital income and expenditure as per the capital programme. <p>Revenue activities:</p> <p><u>Inflows :</u></p> <ul style="list-style-type: none">▪ revenue support grant▪ precepts received▪ non domestic rates receipts▪ NNDR receipts from national pool▪ council tax and business rates receipts▪ other government grants▪ cash for goods and services▪ other operating cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none">▪ salaries and payments on behalf of employees▪ operating cash payments▪ housing benefit paid▪ precepts paid▪ NNDR payments to national pool▪ payments to the capital receipts pool <p>Capital activities including financing</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none">▪ capital grants received▪ sale of fixed assets▪ other capital cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none">▪ purchase of fixed assets▪ purchase of long-term investments▪ other capital cash payments <p>Financing, Servicing of Finance>Returns on Investments</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none">▪ new long-term loans raised▪ new short-term loans raised▪ details of withdrawals from investment funds▪ interest received▪ discount on premature repayment of loan <p><u>Outflows:</u></p> <ul style="list-style-type: none">▪ loan repayments▪ premia on premature repayment of loan▪ short-term investments▪ capital element of finance lease rental payments▪ interest paid▪ interest element of finance lease rental payments
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<p>Monitoring, frequency of cash flow updates</p>	<p>The annual cash flow statement is updated monthly with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with:</p> <ul style="list-style-type: none"> • net RSG and NNDR payments as notified; • county council and police authority precepts as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received from the general ledger; • actual rent allowances paid from the general ledger; • actual housing benefit; • actual council house rent cash received from the general ledger; • actual capital programme expenditure and receipts from the general ledger; • loan principal and interest repayments from bank statements.
<p>Bank statements procedures</p>	<p>The Council receives bank statements on a daily basis. These are posted independent of the treasury function in order to maintain an adequate separation of duties and are reconciled to the general ledger on a monthly basis.</p>
<p>Payment scheduling</p>	<p>The Council has a policy of paying suppliers in line with agreed terms of trade and the following service standards:</p> <ul style="list-style-type: none"> • to make accurate and timely payments to creditors of the Council • to make urgent payments to creditors within one day if required • to respond to all written enquiries within five working days
<p>Monitoring debtor/ creditor levels</p>	<p>Debtor levels are monitored by a monthly Sundry Debtors Monitoring Report to the CFO and the Head of Financial Services which will include an analysis of debt by age and details and details of recovery status. A monthly performance indicator is also produced with details of outstanding debt of more than three months old.</p> <p>The level of Creditor invoices being processed / remaining unpaid is monitored on a daily basis by the e-payments manager. A monthly performance monitor report is produced. Payment runs are three times a week and details of all BACS and cheque payments per run are held by the payments department with a summary of the totals reported to the Principal Group Accountant.</p>
<p>Banking of funds</p>	<p>Instructions for the banking of income are set out in the Council's Financial Procedure Rules.</p> <p>Cheques received by the Council are collated by the Payments department and sent to a cheque bureau on a daily basis.</p> <p>The Council does not accept cash at the main office, but for the outstations each department is responsible for banking the cash received.</p> <p>All the Council's sections are advised of the requirement to bank on a regular basis in order to comply with recommended best practice and also remain within the particular insurance limits for the Council's premises.</p>
<p>Listing of sources of information</p>	<p>The treasury function receives cash flow information as identified above.</p>

Practices concerning prepayments to obtain benefits	The Council would not normally expect to make prepayments. However, each case will be examined on its merits, including the risk and potential benefit.
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TMP 9: MONEY LAUNDERING

Background

The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property
- Acquiring, using or possessing criminal property.

Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to

- appoint a nominated officer and implement internal reporting procedures;
- train relevant staff in the subject;
- establish internal procedures with respect to money laundering;
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations.

CIPFA believes that public sector organisations should “embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities”.

Principle

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff members involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.

Schedule

Anti money laundering policy	This Council's policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.
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<p>Treasury Documentation</p>	<p>The Council will reflect the anti-laundering measures it has in place as part of its treasury documentation. Such measures include:</p> <ul style="list-style-type: none"> • Awareness of what constitutes money laundering • The obligation to report knowledge of / having reasonable grounds to believe an offence might be committed • Maintaining up to date direct dealing and SSI mandates with counterparties
<p>Nomination of Responsible Officer(s)</p>	<p>(a) The Council has nominated Head of Audit and Performance to be the Money Laundering Reporting Officer to whom any suspicions relating to transactions involving the Council will be communicated.</p> <p>(b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions.</p> <p>(c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).</p> <p>(d) It is the responsibility of all Chief Officers to report all suspected irregularities to the Money Laundering Reporting Officer.</p> <p>(e) It is the responsibility of the CFO to ensure all suspected financial irregularities are reported to the Money Laundering Reporting Officer, Chief Executive, the Executive and Standards Committee.</p>

<p>Procedures for establishing the Identity of Lenders and Borrowers</p>	<ul style="list-style-type: none">(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in <i>TMP 4</i>.(b) The Council will not accept loans from individuals.(c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list.(d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England / Prudential Regulation Authority's website.(e) All receipts/disbursements of funds will be undertaken by BACS or CHAPS settlement.(f) Direct Dealing mandates: The Council will provide (in the case of lending) / obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed.(g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts.(h) If the Council takes / provides loans from individuals, it will establish robust procedures for verifying and recording the appropriate financial and personal information of such individuals.(i) When receiving requests for change in payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee before altering payment details.
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TMP 10: TRAINING AND QUALIFICATIONS

Principle

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The CFO will recommend and implement the necessary arrangements.

The CFO will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

Schedule:

Qualifications/ experience for treasury staff	Treasury staff are expected to have a professional accountancy qualification or be an experienced member of the Association of Accounting Technicians. Cover for day-to-day treasury management can be provided by suitably trained staff with the approval of the CFO.
Details of approved training courses	The courses/events the Council would expect its treasury personnel to consider are: <ul style="list-style-type: none"> ▪ Certificate in International Treasury Management – Public Finance (no longer available for new entrants) ▪ Training courses for Accounting, Auditing, Best Value/Competition, Budgeting, Capital Finance & Borrowing, Financial Management run by CIPFA and IPF ▪ Any courses/seminars run by Treasury Management Consultants. ▪ Attending CIPFA Conference ▪ Training attended by those responsible for scrutiny of the treasury function <p>The Council participates in a CIPFA Employer Accreditation Scheme for CPD purposes which is based on planning, recording and evaluating development. Employees are required to register with the scheme and declare participated in the CPD scheme annually. The Council has been awarded Platinum status</p>
Records of training received by treasury staff	Treasury-related training records are maintained by each officer.
Records of training received by those charged with governance	Training records are maintained by those people/committees responsible for governance of treasury management.

TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

Principle

The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. We recognise the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When we employ such service providers, we will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. We will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And we will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the CFO, and details of the current arrangements are set out in the schedule below.

Schedule

Contract threshold	The Council's Financial Procedure Rules require that a formal contract is in place with all external service providers. The contract will clearly state the services to be provided and the terms on which they will be provided.
Details of service providers and procedures and frequency for tendering services	<p>(a) <u>Bankers to the Council:</u> HSBC, 12a North Street, Guildford, Surrey, GU1 4AF Contract period: January 2017 to December 2023, extension to December 2016 This service will be re-tendered regularly</p> <p>(b) <u>Treasury advisor</u> Arlingclose, 35 Chiswell Street, London, EC1Y 4SE (0844 8808 200) Contract period: April 2017 to March 2024 This service will be re-tendered regularly</p> <p>(c) <u>External Fund Managers</u> Payden & Rygel - Invested in 2011 CCLA – invested in March 2013 Aberdeen – invested in February 2014 M&G – invested in February 2014 Schrodgers – invested in February 2014 City Financials – invested in May 2015 UBS – invested in June 2015</p> <p>(d) <u>Brokers:</u> It is considered good practice for the Council to have at least two brokers and to spread business between them. The Council is not contracted to any of its brokers.</p> <p>Tradition - 0207 422 3566 RP Martins - 0207 469 9580 Tullett Prebonne - 0207 200 7042 King and Shaxson – 0207 929 8529 ICAP – 0207 532 3560 BGC – 0207 894 7742</p> <p>(e) <u>Treasury System:</u> 07796 114 246 Contract period: from 26 June 2000</p>

Regulatory status of services provided	The Council's external service providers are all regulated by the FCA
Details of service provided by Treasury Advisor	<ul style="list-style-type: none"> • Strategic Advice on Council Treasury Management Strategy • Capital Finance advice • Advice on Housing Finance • Assistance with the Treasury Management annual strategy report and policy statement • Interest rate forecasting, market updates and economic advice • Investment policy • Credit ratings and counterparty creditworthiness • Debt management • Fund manager monitoring • Seminars and training • Access to website
Bribery Act	The Council is mindful of the requirements of the Bribery Act 2011 and in its dealings with external providers

TMP 12: CORPORATE GOVERNANCE

Principle

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key recommendations of the Treasury Management Code of Practice (Revised 2009). This, together with the other arrangements detailed in the schedule below, are considered vital to the achievement of proper corporate governance in treasury management, and CFO will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule

Stewardship responsibilities	The CFO ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
List of documents to be made available for public inspection.	The following documents are freely available for public inspection: <ul style="list-style-type: none"> ▪ annual statement of accounts ▪ medium term financial strategy ▪ 5-year capital programme ▪ treasury management policy ▪ treasury management strategy ▪ budget monitoring reports ▪ annual treasury report
Council's website.	Financial information is additionally available on the Council's website.
Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Executive and officer/member briefing sessions.
List of external funds managed on behalf of others and the basis of attributing interest earned and costs to these investments	The Council does not manage any external funds on behalf of others.

Note:

Items the Council would maintain at operational level in the procedures notes file as referred to in this template:

1. the Council's credit criteria
2. current lending list
3. business reserve accounts / money market funds
4. counterparties with whom the Council deals direct
5. dealing checklist
6. deal ticket proforma
7. format of the Council's Standard Settlement Instructions form
8. settlement procedures
9. procedure notes for the Council's on-line banking system
10. procedure notes for the Council's treasury management system
11. procedure notes for dealing online with counterparties
12. procedure for dealing with requests for change of banking/payment details

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Money Market Code Principles

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

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

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

Ethics

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

Governance and Risk Management

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

Information Sharing, Confidentiality and Communications

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

Execution, Surveillance, Confirmations and Settlement

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

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Arlingclose Economic Forecast

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long-term growth may prompt deterioration in the UK's fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short-term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.

Agenda item number: 6
Appendix 13

- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.
- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

Agenda item number: 6
Appendix 13

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.77
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

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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			

Comments from Joint EAB Budget Task Group (8 December 2017) on Capital Bids 2018-19

Attendees

Councillors: Angela Gunning, Caroline Reeves, Colin Cross, David Quelch, David Reeve, Nils Christiansen

Bid	Bid title	Comment	Officer comment
97	Tyting farm land – removal of barns and concrete hardstanding	<ul style="list-style-type: none"> • Marked as Confidential • Support bid • Evidence to support costs? 	M. Appleton refers to page 1 of the Capital Bid – Under drivers and objectives – “The estimated costs of demolition of these barns is based on a known cost of a single barn that was demolished, which the Council previously sold to a third party in 2014 and subsequently demolished”.
111	A331 hotspots	<ul style="list-style-type: none"> • Support bid • Are there any s106/developer contributions to help pay for the scheme? 	Discussions are ongoing regarding securing contributions from applicable local housing developments, through the planning process
129	Rodboro buildings – electric theatre through road and parking	<ul style="list-style-type: none"> • Is it necessary? • Expensive • Review alternative options 	<p>Required and urgent. Lots of complaints from tenants about the area.</p> <p>Reviewing alternative options would delay any project and would result in more complaints.</p> <p>Cost estimate based on a Tunsgate type scheme. Engineers could project manage in house.</p>
130	Castle grounds cottage	<ul style="list-style-type: none"> • Bid withdrawn 	n/a
139	Guildford bike share	<ul style="list-style-type: none"> • Support bid • Where did the sponsorship figure come from? 	<p>A high-level business case will be produced at the appropriate stage.</p> <p>Sponsorship opportunities will be identified by the chosen operator and will form part of the procurement process/contract</p>
145	48 Quarry St, Museum – structural works	<ul style="list-style-type: none"> • Support bid 	n/a
151	Guildford West – (Park Barn) station	<ul style="list-style-type: none"> • Support bid • Review wording on the bid 	We will ensure that we reword the bid before it goes before Full Council to remove any references to either “social deprivation”, etc. or to the UTC.
169	Bus station relocation	<ul style="list-style-type: none"> • Support bid • Marked as Confidential 	n/a

Bid	Bid title	Comment	Officer comment
197	Shawfield Day Centre	<ul style="list-style-type: none"> Support bid 	n/a
198	SMP – electrical works	<ul style="list-style-type: none"> Support bid Will there be some income from allocating energy costs? 	
201	Millmead House - M&E plant renewal	<ul style="list-style-type: none"> Support bid 	n/a
205	Hydro private wire	<ul style="list-style-type: none"> Support bid Review who can buy the electricity – would it be cheaper to be nearer properties 	
210	Stoke Park Masterplan enabling costs	<ul style="list-style-type: none"> Uncomfortable with the bid – 4 years is a long time and a lot of money is being asked for Agree 18/19 budget only 	<p>To deliver the masterplan from feasibility to completion will take a number of years, realistically up to 10 years, and a significant amount of professional fees because of the nature of the works involved. This has to be set in context with procurement regulations and our constitution.</p> <p>The whole sum of money from feasibility to completion is being asked for in order for us to appoint an professional design team to ensure the project has continuity and multiple procurement exercises are not required to ensure this is delivered efficiently. The various stages, i.e feasibility, concept design, detailed design, implementation will then be called off in stages allowing us to control spend at every stage. The type of procurement cannot be entered in to unless the sum of money has been approved by the council and is part of our constitution.</p> <p>If we do not have the full design team with properly costed and detailed designs we will not be able to proceed with external funding applications.</p> <p>There will be multiple projects within this project for example and it is therefore important this is</p>

Bid	Bid title	Comment	Officer comment
			<p>co ordinated under one project/programme:</p> <ul style="list-style-type: none"> • Creation of an entire masterplan for the whole site, setting out a plan for the parks infrastructure,- paths buildings, sports pitches, car parks, drainage, sewers, power, water etc, this will also be costed and based on the recent consultation • Development of a new catering offer and building • Development of new play facilities • Restoration works to the listed historic fabric of the park – ha ha, walls, Japanese garden, tree avenues • Ensuring the park has a plan to link with the redevelopment of spectrum • Condition surveys and resultant works <p>These projects need to go from feasibility through to completion in some areas with some works being essential.</p> <p>If just an 18/19 budget is agreed then the project will incur substantial delays because of creating further procurement exercises rather than actually getting on and delivering the project which is listed in the corporate plan. It is a large project for GBC containing many built and technical elements therefore it is important it is resourced properly to ensure it is delivered efficiently</p>
211	Roads and footpaths	<ul style="list-style-type: none"> • Support the bid as a priority (18/19 onto the approved programme) • Will this be an annual budget in future? 	<p>There will be an element of this being an annual budget in the future but to a lesser amount, with repairs being managed from the parks operational reserve.</p>

Bid	Bid title	Comment	Officer comment
		<ul style="list-style-type: none"> • Why use tarmac? Alternative solution, e.g. crushed stone. Include comparative costs 	<p>Alternative solution will be used where appropriate however these are not normally suitable and more expensive in the long run as they have a shorter life cycle, higher annual maintenance for high traffic areas such as car parks and key access roads which are need to support events and activities on the park</p>
213	Sports pavilions – replace water heaters	<ul style="list-style-type: none"> • Support bid 	n/a
229	Millmead fish pass	<ul style="list-style-type: none"> • Not supported by Lead Councillor for Finance • Generally supported by other Councillors, but not enough evidence to support the link between the fish pass and water quality • Would like more detail on whether this will truly open up the river • A lot of money – is it a priority? • Want to see evidence a fish pass works 	<p>Implementing the fish pass will support the following Corporate Plan priorities:</p> <ul style="list-style-type: none"> •“Work towards developing continuous green and blue corridors through Guildford to improve residents access to nature and wildlife” •“Work with partners to provide and protect a high quality, diverse environment by ensuring sufficient and appropriate green, blue and open space and a resilient ecological network is maintained” •“Support the River Wey Catchment Management Partnership to improve the water quality of the river and the management of its catchment” <p>The Wey Fish Pass and Wetland Delivery Project (Wey FWD) has been set up to deliver a set of priority projects, largely funded through Water Framework Directive Grant Aid. Local Authorities have a responsibility to help to achieve Water Framework Directive objectives.</p> <p>The primary aim of the removal of obstacles along the Wey is to improve the ecological resilience of the river. Together with other measures delivered by the Wey Landscape Partnership (the main one being the reduction of sources of diffuse pollution) the presence of a healthy fish population will improve the ecosystem within all levels of the food chain. In turn, this will enhance the self-cleaning ability of the river. The delivery of fish passes are an important part of a series of schemes that will improve the water quality in the Wey. It should be recognised that</p>

Bid	Bid title	Comment	Officer comment
			<p>individual schemes' success will be much greater in combination with others. The Environment Agency are actively working with a number of partners, including Thames Water, Affinity Water, Surrey Wildlife Trust and Borough Councils, to address water quality issues on the catchment.</p> <p>The fish pass at Millmead Island is part of the wider partnership project to reduce barriers of animal migration within the Wey under the Water Framework Directive. Not delivering the fish pass at Millmead Island will reduce the benefits of the other fish passes delivered by the other partners in the Wey Partnership as this obstacle to open up the River will remain. The timing of the projects seeks to maximise other funding opportunities. Over the next 2 years 6 fish passes are planned for construction on River Wey catchment (at Ham, Newark, Walsham, Broadmead, Burpham and Westbrook Mill). Designs are being drawn up for fish passes at a further 5 sites on the Wey, and there is a much larger programme of work in the pipeline. The Wey Landscape Partnership is taking a strategic approach to tackling fish pass problems on the river, and the works proposed at Millmead form an important component of this work.</p> <p>The EA have a lot of evidence from other sites that fish, of all species and size classes, readily use bypass channels to migrate up and down stream. The EA carry out monitoring works, in the form of electric fishing surveys, upon completion of fish pass projects. Fish (including chub, dace, barbel, roach, bullhead, gudgeon etc) are present in large numbers within the bypass channel just weeks after construction work is completed. Scientific research on this subject can be provided if necessary.</p> <p>The EA are strongly encouraged to construct a fish pass, under the Water Framework Directive, when they refurbish or replace a weir. The weir is being upgraded and the fish</p>

Bid	Bid title	Comment	Officer comment
			pass is being recommended as part of this scheme to meet the Directive, as it is more cost effective to implement whilst doing the upgrade.
261	Land to rear of 39-42 castle street	<ul style="list-style-type: none"> Support bid 	n/a
264	Old Manor House	<ul style="list-style-type: none"> Support bid 	n/a
255	Crematorium VAT	<ul style="list-style-type: none"> How does this impact the viability of the main scheme? Would like more context 	NPV re calculated and scheme is still viable
	Student Housing	Not presented at meeting	n/a
	Museum additional funding	Not presented at meeting	n/a
	Capital contingency fund	<ul style="list-style-type: none"> Annual budget 	n/a
140	ICT renewals	<ul style="list-style-type: none"> Support bid 	n/a
177	Deck Millbrook car park	<ul style="list-style-type: none"> Support bid Adverse possession? Where? 	There are two very small slivers of land within the car park itself that presently remain unregistered – reason unknown. However, officers within the Major Projects Team are very confident that our pending claim for adverse possession will be successful.
181	New POF equipment	<ul style="list-style-type: none"> Support bid Will it be linked to wider smart city strategy? 	
194	Structural works to MSCP	<ul style="list-style-type: none"> Support bid 	n/a
200	PBDC – air source heat pump	<ul style="list-style-type: none"> Support bid 	n/a
207	SMP – air source heat pump	<ul style="list-style-type: none"> Support bid 	n/a
212	Stoke Park nursery – air source heat pump	<ul style="list-style-type: none"> Support bid 	n/a

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)

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Resources

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Date: 18 January 2018

Equality Scheme

Executive Summary

The existing Equality Scheme (formerly named the Single Equality Scheme) and action plan were developed a number of years ago and consequently they now need refreshing.

A revised Scheme and action plan have been drafted with the following aims in mind:

- to create simpler and more 'user-friendly' documents
- to restate our legal obligations and how we intend to meet them
- to enable us to take stock of the equality and diversity work already being carried out and provide direction for the future
- to provide an opportunity to relaunch the Council's work in this area at a manageable and achievable level.

Whilst it is not a legal requirement to have an equality scheme it enables us to summarise in one place the Council's commitment to equality and diversity and to demonstrate how we will meet our legal obligations set out in the Equality Act 2010.

Recommendation to Corporate Governance and Standards Committee

That the Committee

- (1) commends to the Executive the adoption of the Equality Scheme and action plan shown respectively in Appendices 1 and 2 to this report; and
- (2) monitors the implementation of the actions in the action plan on an annual basis.

Reasons for Recommendation:

To assist the Council in meeting its obligations under the Equality Act 2010 and provide a way to measure and evidence work undertaken in this area.

1. Purpose of Report

- 1.1 To obtain approval of the revised Equality Scheme (formerly known as the Single Equality Scheme) and the associated action plan.

2. Strategic Priorities

- 2.1 The Equality Scheme and action plan will contribute to our fundamental themes and priorities as follows:

Our society – believing every person matters and concentrating on the needs of the less advantaged.

3. Background

- 3.1 The Equality Scheme sets out our commitment to equality and diversity both as an employer and as a provider of public services. It incorporates our legal responsibilities under the Equality Act 2010 and states broadly how we intend to meet them. Specific objectives are set out in the action plan, which support these intentions.
- 3.2 It is not a legal requirement to have an equality scheme; however, there are obligations to have equality objectives and to adhere to the general and specific duties of the Equality Act. An equality scheme is the ideal medium to set out how the Council works to integrate equality and diversity considerations into its activities.
- 3.3 The general duty of the Equality Act sets out three main aims. As a public body, we must have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and of the conduct prohibited by the Act
 - advance equality of opportunity between people who share a protected characteristic¹ and those who do not
 - foster good relations between people who share a protected characteristic and those who do not.
- 3.4 The specific duties of the Act are:
- to publish equality information annually to demonstrate compliance with the general duty. This includes information relating to people with protected characteristics who are:
 - its employees, or
 - affected by its policies and practices e.g. service users.

¹ The protected characteristics are gender, race, disability, age, sexual orientation, religion or belief, pregnancy or maternity, gender reassignment and marriage or civil partnership

- To prepare and publish at least one equality objective that we think we should achieve in order to meet the general duty. This should be done every four years and objectives must be specific and measurable.
- 3.5 The Scheme and action plan have been re-written with the aim of making them easier to read and therefore more useful particularly to people who are unfamiliar with the subject. Objectives in the revised action plan are simpler, practical and therefore more achievable. It incorporates other action plans already in place for existing projects such as the Time to Change Mental Health Pledge and the Disability Confident Employer scheme.
- 3.6 The actions will develop over a three-year period, progress will be reviewed annually by the Corporate Governance and Standards Committee and the Scheme updated as necessary.
- 3.7 One of the objectives in the plan is to create an equality and diversity forum made up of employees from across the Council with representatives from the protected characteristics. It is proposed that the HR Partner (Equalities) will chair the forum and its purpose will be to raise awareness of equality and diversity issues, provide a vital channel of communication with employees who have protected characteristics and to monitor progress against the action plan. Membership of the forum is not anticipated to be onerous or create additional work for its members. The HR Partner (Equalities) will provide updates to CMT regarding any significant issues and progress made against the action plan, with an annual report on this work being reported to this Committee.
- 3.8 Endorsement of the Scheme and action plan will reaffirm the Council's commitment to equality and diversity as well as highlighting its stance on key issues such as sexual and racial harassment.
- 3.9 Subject to the Executive's approval, the Scheme and action plan will be published on the Council's website and intranet site.

4. Consultations

- 4.1 No formal consultation has been conducted as the Scheme and action plan have been brought up to date rather than fundamentally changed.

5. Equality and Diversity Implications

- 5.1 HR Partner (Equalities) consideration of equality and diversity has been clearly stated in the revised Scheme and a separate equality impact assessment is therefore not necessary. In addition, the Scheme and action plan have been updated rather than changed fundamentally.

6. Financial Implications

- 6.1 There are no financial implications. The equality and diversity forum members will comprise of existing employees who will act as a channel of communication to their colleagues.

7. Legal Implications

- 7.1 As set out in section 3 of this report, the Council has legal obligations under the Equality Act 2010, including the Public Sector Equality Duty.
- 7.2 The Equality and Human Rights Commission is the regulatory body responsible for enforcing the Equality Act. Their role is to help organisations to achieve their responsibilities but ultimately they have enforcement powers, which range from guidance to investigations and court action where organisations fail to meet their obligations.

8. Human Resource Implications

- 8.1 Equality and diversity forms part of the remit of the HR Partner (Equalities) so no specific additional resources are required to implement the Scheme. Completion of the action plan falls mainly to staff in human resources although some objectives overlap with existing projects and action plans, as detailed previously, where work is already underway and is not anticipated to create any additional demand for resources.

9. Summary of Options

- 9.1 The options are to keep the existing Scheme and action plan which as previously described needs refreshing or, to approve the revised versions of the Scheme and action plan.

10. Conclusion

- 10.1 If the revised Scheme and action plan are approved it will ensure we have in place a robust and up to date statement of our commitment to equality and diversity. It will assist us to develop this area and ensure we are compliant with the requirements of the Public Sector Equality Duty.

11. Background Papers

The existing Equality Scheme and action plan are available upon request or can be viewed on our website <https://www.guildford.gov.uk/transparencydata>

12. Appendices

Appendix 1: Equality Scheme
Appendix 2: Action plan

GUILDFORD BOROUGH COUNCIL

EQUALITY SCHEME

2018 – 2021

Please contact Lucy Richards, Human Resources Partner (Equalities), on 01483 444013 or lucy.richards@guildford.gov.uk to request this document in an alternative format or language

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Equality Scheme

Executive Summary

1. The Council is fully committed to equality and diversity both as an employer and as a provider of services to the public. As a public body, it has general and specific duties to perform under equality and diversity legislation set out in the Equality Act 2010.
2. The Equality Scheme is the key medium through which the Council works to integrate equality and diversity considerations throughout its activities.
3. In summary, the Equality Scheme sets out:
 - a) what the Council intends to do
 - b) how the Council will meet its statutory requirements
 - c) how the Council will deliver its intentions covering:
 - equality monitoring of employees and service users
 - equality training and development of employees and councillors
 - integrating equality and diversity into performance management
 - developing and maintaining a diverse and inclusive workforce by maintaining a 'level playing field' through removing direct and/or indirect discriminatory barriers to employment, career development, training and development and all other employment policies and procedures
 - the expectations of itself and its employees
 - our definitions of harassment and bullying.
 - d) a 3-year action plan for improving equality of opportunity (Annexe 2 'Equality Scheme action plan 2018 – 2021')

1. Foreword

Our Equality Scheme outlines our commitment to this area of work. An action plan has been drafted setting out our equality objectives under a number of key headings. The actions will develop over a period of three years, progress will be reviewed annually, and the Scheme updated as necessary.

Our Equality Scheme illustrates:

- how we will promote diversity and equality as a council
- the broad actions we will take from 2018 to 2021 to improve diversity and equality within the Council, and
- how we plan to carry out our legal responsibilities under the Equality Act 2010.

We aim to deliver equality of opportunity and promote diversity through our work and operate in accordance with recognised good practice in respect of employment.

2. Introduction

2.1 We want the people and partners with whom we work to see us as promoting diversity and equality and as a leading example of good practice in employment. Our Equality Scheme covers the nine protected characteristics:

- sex (gender)
- race
- age
- disability
- gender reassignment
- marriage or civil partnership
- pregnancy and maternity
- religion and belief, and
- sexual orientation.

The Council is also mindful not to treat unfairly those who have caring responsibilities.

The Scheme helps us to:

- deal with the reality of working with, and providing services for, people regardless of the protected group(s) to which they belong
- make sure we focus on specific inequalities that are relevant to our community
- create links between everyone being different (valuing people's differences) and everyone being equally important to us and the organisations with which we work (promoting fairness).

2.2 Our commitment to diversity and equality

We believe we play an important role in leading public services and other partners across Guildford. As more and more different communities make up the population, we want to achieve the following aims:

2.3 The Council

We will:

- ensure that all our staff are clear about their roles and their responsibilities to the people and communities of Guildford
- employ a workforce which reflects, so far as reasonably practicable, the different communities we serve
- fully include and implement diversity and equality issues in delivering our services
- require councillors and staff to respect each other and other people and value differences between people
- give our staff the necessary skills to challenge and work with our partners effectively in our role as a provider of local public services
- give all staff opportunities to develop themselves and their careers so that they can achieve their full potential.

2.4 Our stakeholders

We want:

- to be an authority leading on, and fully involved in, encouraging and challenging the organisations with which we work to help them improve their approaches to diversity and equality issues
- everybody to recognise us as promoting diversity and equality such that we are able to show that our efforts have had a real effect on other organisations in the borough
- all communities who use public services in Guildford to see real benefits from the services we provide
- people from all communities to recognise us as an employer for whom they would choose to work.

3. Legislative and regulatory requirements

3.1 Equality legislation has been developed in a piecemeal way over the last 40 years or so although much of the current legislation has been developed since the year 2000.

3.2 The Equality Act 2010 replaced all other anti-discrimination legislation (listed in Annex 1) with a single Act that embraced all the provisions of the previous legislation, including equal pay.

3.3 The provisions of the Equality Act 2010

The Act has two main purposes, to harmonise discrimination law and to strengthen the law to support the progress on equality. It brought together and restated previous equality legislation and a number of related provisions.

The particular requirements placed on public bodies are set out in the Public Sector Equality Duty, which is summarised in paragraph 3.4.

3.4 The Public Sector Equality Duty

The purpose of the Public Sector Equality Duty is to harmonise and replace previous race, disability and gender equality duties and to extend protection to all the protected characteristics specified in the Act (as listed in paragraph 2.1). It is made up of a general duty, which is supported by specific duties.

The general duty sets out three main aims. As a public body, we must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between people who share a protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having 'due regard' for advancing equality involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The practical effect is that public bodies such as local authorities have to consider how their policies, programmes and service delivery will affect people with the protected characteristics. For example:

- 'meeting different needs' could involve taking steps to take account of disabled people's disabilities
- 'fostering good relations' could involve tackling prejudice and promoting understanding between people from different groups.

The Act states that compliance with the equality duty may involve treating some people more favourably than others. Equality is about treating people fairly, which could mean treating them differently in order to take account of their differing needs.

The Equality and Human Rights Commission (EHRC) set out the benefits of the equality duty as follows:

- it helps public authorities to avoid and eradicate discriminatory practices and integrate equality information into its core business
- it ensures services are more appropriate to users which are more efficient and cost-effective and therefore improves public satisfaction
- it builds a supportive working environment, which increases productivity. A more representative (diverse) organisation can draw on a broader range of talent

- using up to date equality information can lead to better decision-making and policy development.

The specific duties are:

- Public authorities should publish equality information annually to demonstrate compliance with the general equality duty. This includes information relating to people with protected characteristics who are:
 - its employees, or
 - affected by its policies and practices e.g. service users.
- Public authorities should prepare and publish at least one equality objective it thinks it should achieve in order to meet the general duty. This must be done at least every four years and objectives must be specific and measurable.

4. Delivering on our intentions

4.1 Equality monitoring

Our human resources database (Selima) holds data on employees and employment related matters including confidential equality information. We also collate data relating to recruitment including the diversity of job applicants. In other Council services, some equality monitoring is carried out although the information gathered varies. In Housing Advice, for example, a full monitoring form is included in the Housing Application form and the data feeds into an annual equality report.

4.2 Equality training and development

Equality training and development for councillors and employees is a key component of the Equality Scheme and is already an established area of good practice.

Councillors

Equality and diversity training has been incorporated into the induction programme for councillors, the most recent session was held in January 2017. Dementia Friends training was delivered in October 2017 and Gypsy and Traveller Workshops were held in July 2015 and February 2016. Going forward, further sessions will be arranged as required.

Employees

The Council provides a half-day general equality awareness course and a half-day of disability awareness training for all new employees as mandatory elements of the induction programme. Bespoke equality and diversity training is provided on request and has been delivered to specific teams in response to identified training needs.

In line with the Autism Act 2009, we also provide autism awareness training. This is a two-hour session which helps employees understand how to adjust their communication and interpretation of other people's actions to improve the way they work with people who may be on the autistic spectrum, whether customers or colleagues.

We have delivered Mental Health First Aid Awareness, and will be training a number of Mental Health First Aiders via a two-day course. We have provided, and will continue to provide Resilience Training, which seeks to raise awareness of stress and provide tips and techniques on how to deal with it.

We have provided Emotion Gyms specifically on topics such as depression, low mood, anxiety and dealing with anger. Emotion Gyms have now ceased but the Mental Health Awareness will pick up on these issues with basic information and signposting to sources of further support.

Further training, including how to conduct effective equality impact assessments and other specialist training such as Gypsy and Traveller awareness, is provided according to need.

4.3 Performance management

Focusing on equality and diversity as an employer, we will achieve our aims and meet our legal responsibilities by:

- giving our staff the necessary skills, training and support including, where relevant, behavioural targets based on the Council's Organisational Culture Framework
- taking appropriate action in response to complaints of discrimination or other inappropriate behaviour
- making sure managers have the information available to allow them to make reasonable adjustments (for example, providing appropriate equipment or information in different formats or making adjustments to standard work patterns) to meet the needs of disabled staff so that they can carry out their work
- improving our monitoring systems, assessing the information we collect and acting on the results
- giving clear and positive leadership from the Council, Executive, Corporate Management Team, Senior Leaders and other management groups in the Council
- monitoring our performance and progress against the Equality Scheme action plan
- making data available to show how we have taken the view of our diverse community into account when deciding on priorities and to show the progress that we are making.

4.4 Developing and maintaining a diverse and inclusive workforce

We are committed to ensuring equal access for all to opportunities for employment, learning and development and promotion. Our aim is to develop a diverse and inclusive workforce, which respects, values and reflects the wider community it serves.

We will promote to the community that the Council values diversity and that it is a good place to work.

We work to achieve equality of opportunity in employment by making sure all employees involved in recruitment are aware that:

- no internal or external job applicant should receive less favourable treatment than another on the grounds of a protected characteristic

- they must not impose any conditions or requirements which unfairly affect applicants from one group more than those from other groups
- they must assess each individual on their capability to do any given task. This also means recognising the need for reasonable adjustments for disabled people to carry out the duties of the post
- newly appointed managers will not be able to be involved in the recruitment and selection process unless they have attended recruitment training or if this isn't available at the required time, a one to one recruitment awareness discussion with their human resources advisor.

The Council has robust policies including equal opportunities, bullying and harassment at work, staff code of conduct, grievance and discipline and through these it operates a zero tolerance policy to discrimination, harassment and victimisation. These policies will be reviewed periodically to ensure we continue to strive for a workforce and services that respects, values and responds to the diverse needs of all our stakeholders, internally and externally. All policies are equality checked and equality impact assessments (see paragraph 7) are undertaken in accordance with our Equality Scheme.

We recognise the need to ensure that our employment policies and practices do not directly, indirectly, intentionally or unintentionally discriminate against any potential or actual employees on grounds of a protected characteristic. We will also be mindful to apply the same approach to those who have carer responsibilities.

We will:

- record and monitor the number of employees in post. The Council monitors diversity through our equal opportunities monitoring forms. We use the Census 2011 categories plus others, so that we can use our data to make wider comparisons. Annual management information will be used to track the makeup of our workforce
- record and monitor applicants for employment and success rates in regard to the protected groups. Our job descriptions, person specifications and adverts are worded carefully to avoid the potential for disadvantage on equality grounds and to open up employment opportunities to all types of applicants who meet the essential criteria for a job. Using the reporting function on the Selima database, we are able to undertake monitoring and analysis in relation to employment matters
- record and monitor employees receiving training and development provided via the Corporate Training Plan
- record and monitor employees who are subject to the Council's disciplinary procedure. The Selima database will provide monitoring reports to highlight any possible adverse impact. The statistical data developed will be used to change, where necessary, policies and practices and develop an inclusive and diverse workforce
- monitor staff who use the grievance procedure including claims of bullying and harassment. We will identify any possible adverse impact and use this information to change, where necessary, employment policies and practices
- monitor the reasons employees leave our employment. Human Resources offer exit interviews to all voluntary leavers with the option of it being conducted by their line manager or an HR Advisor.

In May 2017, the Council signed the Time to Change Employers Pledge <https://www.time-to-change.org.uk/get-involved/get-your-workplace-involved/employer-pledge> The Time to Change (TTC) campaign is run by the charities Mind and Rethink Mental Illness and is funded by the Department of Health, Comic Relief and the Big Lottery Fund. The Employers Pledge is our commitment to change how we think and act about mental health in the workplace and make sure that employees feel supported who are facing these problems. Our pledge is supported by an action plan and progress is reported to the Council's Wellbeing Group by Helen Barnsley, the Time to Change Champion and Corporate Public Health Coordinator.

4.5 What we expect from ourselves

We continue to aim to make the Council a positive place to work, which respects and values diversity and promotes equality. We will continue to show our commitment to valuing people's differences, treating people fairly and being a good employer.

4.6 Our commitment as an employer

- we will treat all employees fairly and consistently and in line with our legal duties and our Human Resources policies
- we will ensure that every new employee takes part in equality training and disability awareness training so that our staff have appropriate knowledge to ensure that they avoid unlawfully discriminating against others
- we will give every employee equal access to training, development and promotion, and our recruitment and promotion processes will be open and clear.

4.7 What we expect from our employees and councillors

We expect them to:

- treat each other and service users with respect and dignity, putting into practice the principles of diversity and equality in daily working life
- take responsibility for their own learning and professional development, making good use of the opportunities and resources we offer
- comply with equality and human rights legislation and act in line with our Human Resources policies and Council's Constitution codes of conduct.

4.8 Our definitions of harassment and bullying

Harassment is unwanted conduct that affects the dignity of others. It is actions or comments that are viewed as demeaning and unacceptable to the recipient or that create a hostile, degrading, humiliating or offensive environment.

Harassment includes any form of unwanted verbal, non-verbal or physical conduct of a sexual nature, for example, unwelcome sexual advances, touching, standing too close and the display of offensive materials.

Bullying can be defined as persistent, offensive, abusive, intimidating or malicious behaviour, abuse of power or sanctions which makes the recipient feel threatened, humiliated or

vulnerable or which undermines self-confidence. Examples include shouting in public, persistent or unfair criticism, criticism in the presence of others, ostracising people, threats and instilling fear, inappropriate use of email, spreading malicious rumours, constantly undervaluing effort, withholding information and removing areas of responsibility.

We believe that everyone has a responsibility to behave in a way that is not offensive to others.

All employees should be aware that although they might not agree with the views or decisions made by managers such differences of opinion are unlikely to constitute harassment.

4.9 Monitoring complaints of harassment, bullying and discrimination

We will monitor all complaints of harassment and bullying in relation to the equality profile of the alleged victim. We will also monitor complaints where the complainants believe that the harassment and/or bullying have been perpetrated because of the presumption of or actual discrimination on the grounds of one or more protected characteristics.

This information is used to assess the effectiveness of the Bullying and Harassment at Work Policy in developing and maintaining a diverse and inclusive workforce at all levels of the Council.

External complaints will continue to be investigated and where appropriate feedback will be given to individuals or teams. If improvements are identified, managers will seek advice from Human Resources to establish the most appropriate course of action.

4.10 Corporate Management Team

This is the group chaired by the Managing Director and attended by the Directors. The Team has overall responsibility for ensuring that the Council's Equality Scheme is implemented.

4.11 The Council's Executive

The Executive is responsible for approving and implementing the Council's Equality and Diversity Policy and the Equality Scheme. The portfolio responsibilities of a member of the Executive include equality and diversity (currently Councillor Nikki Nelson-Smith – Lead Councillor for Social Welfare, Heritage and the Arts).

4.12 Corporate Governance and Standards Committee

The Corporate Governance and Standards Committee is responsible for monitoring and auditing the Council's Equality and Diversity Policy.

5 Our priorities

We have identified the four key areas for this Scheme and these will provide the framework for our action plan:

5.1 Leadership and corporate commitment

The Council recognises that it has an important community leadership role to promote and encourage acceptance, fairness and equality across the borough encouraging good practice with our partnership agencies. We continue to support other service providers, employers and the third sector to work together to build stronger and safer communities.

5.2 Consultation and community development and scrutiny

The Council recognises that to ensure its services meet the needs of all the diverse communities it serves, it is important to consult and engage all communities effectively.

We:

- encourage and support all sections of the community in becoming actively involved in local decision-making and community life
- ensure that the appropriate monitoring systems are in place and make resources available so that effective consultation can take place without placing unreasonable burdens on particular sections of the community
- develop consultation networks in our community that do not impose unreasonable burdens on those whose opinions we seek and that focus on the issues that are important to them
- continue to listen to the views of our communities, discussing their ideas and making sure that their views get back to the Council and its partners when they are making decisions.
- make our website as accessible as possible including to those who are blind or partially sighted or those whose first language is not English.

5.3 Service delivery and customer care

The Council recognises that all services should meet diverse needs, be accessible and ensure local people feel fairly treated and receive services appropriate to their needs.

In dealing with customers, the Council commits to and requires its employees to demonstrate good customer service by:

- speaking to all customers in an open and friendly way and addressing them with their name
- showing that they genuinely want to help
- treating the customer as an individual and not placing them at a disadvantage for any reason including their age, disability, gender reassignment, marital or civil partnership status, pregnancy or maternity, race/ethnicity, religion or belief, sex (gender) or sexual orientation
- being patient and polite and showing respect for the customer
- keeping the customer informed.

5.4 Employment and training

We recognise and value the diversity of Guildford's communities. The Council will seek to employ and retain a diverse workforce that, so far as reasonably possible, it reflects the community we serve.

6 Carrying out our duties

6.1 Assessing our policies and consulting people

We will continue to review our policies and carry out equality impact assessments of our relevant activities to measure whether any policy, service or procedure is likely to have a negative effect, or a different effect from that which we planned, on any group of people on which we are focusing in terms of equality. We will publish summaries of the equality impact assessments on our intranet and internet sites.

We will continue to consult with staff groups and employees on the introduction of new policies and procedures to seek staff views prior to implementation.

We will conduct staff surveys annually to find out what employees think and feel about working for our Council, to ensure we support staff as effectively as possible to enable them to perform at their very best.

Customer satisfaction surveys, such as tenant surveys, will continue to be conducted and wherever possible these will include questions relating to equality and diversity.

7 How we will measure the impact of our actions

7.1 Assessing impact on equality

Assessing the impact on equality of our policies, practices and decision-making is an important part of complying with the general equality duty. This can help identify practical steps to tackle any negative impacts or discrimination, and to advance equality.

The general equality duty does not specify how to undertake assessments, it is up to each public authority to choose the most effective approach taking into account the size of the public body, the type of functions they carry out, and the nature of the decisions they are making.

Having due regard to the aims of the general equality duty is about informed decision-making, not about carrying out particular processes or producing particular documents. Assessing impact on equality involves using good equality information and analysis, and doing this at the right time, as part and parcel of decision-making.

7.2 Equality Impact Assessments

The purpose of an Equality Impact Assessments (EIA) is to ensure, at the earliest opportunity, that our services, functions, policies and practices do not directly, indirectly, intentionally or unintentionally discriminate against our service users or employees. Where any adverse impact is found, we must develop objectives that tackle the impact.

We are committed to carrying out impact assessments on our existing and proposed policies and procedures, services and functions to determine whether there are any equality implications. This is generally done using the Council's Screening and Scoping Equality Impact Assessment (EIA) form and Full Equality Impact Assessment (EIA) form, where relevant.

7.3 Our current EIA process consists of 4 stages:

Stage 1 – scoping the activity that is the subject of the EIA

Stage 2 – screening the activity for diversity relevance and any adverse impacts

Stage 3 – identifying the adverse impact and assessing whether a full EIA is necessary

Stage 4 – action planning to reduce differential impacts at either the screening stage or after a full EIA.

An equality impact assessment should take into consideration factors such as demographic data and other statistics, including census findings; available research findings; comparisons between similar policies in our own or other councils; survey data; ethnic monitoring data; one-off data-gathering exercises.

If an assessment demonstrates that a current policy, service or function results in a greater adverse impact, or if opportunities arise which would allow a greater equality of opportunity to be promoted, we will ensure that the policy, service or function is revised.

Where a full EIA is identified as necessary, all completed full EIAs and associated action plans will be consulted with internal and external stakeholders prior to implementation.

8 Our arrangements for publishing equality information

We will publish on our website:

- the Equality Scheme and action plan
- a summary of the results of equality impact assessments and consultations
- a summary of the results of monitoring
- our Annual Workforce Profile Report.

9. Concluding statement

We welcome and encourage comments on and questions about our Equality Scheme. Should you wish, at any time, to raise issues about this Scheme or about other equality and diversity matters at Guildford Borough Council please contact Lucy Richards, Human Resources Partner (Equalities), on 01483 444013 or lucy.richards@guildford.gov.uk

Annex 1

Useful information

The Equality Act 2010

The following legislation was merged into one act and formed the Equality Act 2010:

- Equal Pay Act 1970
- Sex Discrimination Act 1975
- Race Relations Act 1976 (RRA)
- Disability Discrimination Act 1995
- Race Relations (Amendment) Act 2000
- Employment Equality (Religion or Belief) Regulations 2003
- Employment Equality (Sexual Orientation) Regulations 2003
- Disability Discrimination Act 2005 (DDA 2005)
- Employment Equality (Age) Regulations 2006
- Equality Act 2006 (This remains in force as far as it relates to the constitution and operation of the Equality and Human Rights Commission)
- Equality Act (Sexual Orientation) Regulations 2007

The Human Rights Act 1998

This is related to but separate from the Equality Act 2010 and remains fully in force.

The Human Rights Act came into effect in October 2000. The Act enables people in the United Kingdom to take cases about their human rights to a UK court. Previously people had to take complaints about their human rights to the European Court of Human Rights in Strasbourg. Whilst not a piece of legislation that is aimed primarily at particular groups in society, the Human Rights Act outlines the sixteen basic rights of citizens of the United Kingdom. These rights do not only affect matters of life or death like freedom from torture and killing, they affect people's rights in everyday life. This includes what they can say or do, their benefits, their right to a fair trial and other similar basic entitlements.

The rights contained within the Act are:

- right to life
- prohibition of torture
- prohibition of slavery and forced labour
- right to liberty and security
- right to a fair trial
- no punishment without law
- right to respect for private and family life
- freedom of thought, conscience and religion
- freedom of expression
- freedom of assembly and association
- right to marry
- prohibition of discrimination
- protection of property

- right to education
- right to free elections
- abolition of the death penalty.

For more information on the Human Rights Act, please visit the Equality and Human Rights Commission website <http://www.equalityhumanrights.com>

UN Convention on the Rights of People with Disabilities

The text of this Convention was agreed at the United Nations (UN) in December 2006. The UK signed the Convention on 30 March 2007 and ratified it on 8 June 2009 albeit with reservations on some of the articles in the convention, i.e. those that it felt not (yet) willing to take steps to implement fully.

Its purpose is to reinforce that basic human rights, i.e. as set out in the Human Rights Act, should be available, fully, to disabled people.

The Equality and Human Rights Commission

The Equality and Human Rights Commission is the regulatory body responsible for enforcing the Equality Act 2010.

The Commission was established in 2006 and was formed from the previous regulatory bodies responsible for promoting equality and diversity, which were:

- The Equal Opportunities Commission (EOC)
- The Commission for Race Equality (CRE)
- The Disability Rights Commission (DRC)

They also took on responsibility for protecting and promoting equality and human rights for everyone.

Their aim is to make Britain fairer by safeguarding and enforcing the laws that protect people's rights to fairness, dignity and respect. Their role is to help organisations, such as public authorities, achieve their responsibilities rather than catch them out when they fail although they also have a range of enforcement powers, which range from guidance and assistance to investigations and court action.

To find out more about the Equality and Human Rights Commission please visit their website <http://www.equalityhumanrights.com>

EQUALITY SCHEME ACTION PLAN 2018 - 2021

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE	UPDATES AND CHANGES	COMMENTS
1. LEADERSHIP AND CORPORATE COMMITMENT	1.1 Councillors and senior managers to be aware of the equality profile of the residents of the borough	1.1.1 Publish 2011 census information relating to Guildford Borough residents equality profile on intranet	Lisa Dudley	28/02/18		
	1.2 Impact on equality is considered as part and parcel of implementing change before decision-making and policy changes take place	1.2.1 Establish which services are routinely conducting EIAs	Lucy Richards and members of E&D Forum	30/12/18		
		1.2.2 Ensure all managers understand how to assess impact on equality	Lucy Richards and members of E&D Forum	30/12/18		
		1.2.3 Establish where EIAs are being filed/published	Lucy Richards	30/12/18		
		1.2.4 Publish a summary of EIAs and actions quarterly on the website	Lucy Richards	31/08/18		
	1.3 Conduct meaningful impact assessments	1.3.1 Review current EIA template and investigate alternative formats or options	Lucy Richards and members of E&D Forum	31/08/18		
		1.3.2 Expand E&D knowledge within HR especially in relation to advising and checking EIA's	Lucy Richards, Francesca Smith, HR team	30/06/18		
2. SERVICE DELIVERY AND CUSTOMER CARE	2.1 Equality monitoring is consistently carried out across Council services where relevant	2.1.1 Establish what monitoring is currently being carried out	Lucy Richards and members of E&D Forum	30/12/18		
	2.2 Data collated from equality monitoring is published on the website annually	2.2.1 Investigate how data can be published in a useful and meaningful but not onerous way	Lucy Richards and Lisa Dudley	30/12/18		
	2.3 Data is used to establish impact on equality/ to inform EIA's	2.2.1 Make the data available for use as per 2.2.1	Lucy Richards and Web Team	30/12/18		
	2.4 Equality monitoring wording is consistent and sensitive	2.4.1 Compare current equality questions and make appropriate changes	Lucy Richards	30/12/18		
	2.5 Ensure our communications are accessible to protected groups	2.5.1 Review and re-issue document to staff 'Guidance on Alternative Forms of Communication'	Lucy Richards	30/04/18		
	2.6 Check whether HR information and customer information that is sent out is available in hard copies inform people that an alternative range of formats is available on request	2.6.1 Review documents and add information if necessary	Lucy Richards, HR team and members of E&D Forum	30/09/18		
	2.7 Barriers to accessing services are removed where identified	2.7.1 Managers complete an EIA when planning changes and where an impact is identified they amend the proposal to remove or reduce the adverse impact	Lucy Richards, HR team and members of E&D Forum	30/12/18		

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE	UPDATES AND CHANGES	COMMENTS
	2.8 Staff deliver excellent customer service to protected groups	2.8.1 Investigate and implement a viable process for monitoring customer complaints and compliments from people in protected groups or for complaints of harassment or discrimination	Lucy Richards and Sam Adam	30/04/18		
	2.9 The website is accessible to protected groups	2.9.1 Website is reviewed to ensure it meets the needs of protected groups	Lucy Richards, HR, and Jenifer Davis, Web Manager	30/06/18		
	2.10 We understand the needs of our community	2.10.1 Ensure equality information is included in customer satisfaction surveys	Lucy Richards, HR, and various managers	30/12/18		

Agenda item number 7
Appendix 2

3. EMPLOYMENT AND TRAINING						
Page 334	3.1 Staff are paid fairly and equitably	3.1.1 Appropriate use is made of the job evaluation scheme and appeals process	Francesca Smith	Continuous		
		3.1.2 Completion of the Council-wide job evaluation project	Francesca Smith	30/12/18		
		3.1.3 Regular salary benchmarking activity to ensure that salaries remain competitive and equitable in comparison to the local economy	Francesca Smith	30/12/18		
		3.1.4 Annual review of the Pay Policy	Francesca Smith	30/11/18		
	3.2 Workforce profiling is used to compare and move towards a similar profile to that of our customers	3.2.1 Complete and publish workforce profile 2016	Lucy Richards	31/01/18		
		3.2.2 Publish workforce profile for 2017	Lucy Richards	By end of February 2018		
	3.3 Adequate recruitment training is provided for managers	3.3.1 Ensure recruitment training is in place for newly appointed managers and as a refresher, provided or arranged by HR	Francesca Smith	30/04/18		
	3.4 Equality monitoring is used to inform decisions regarding employment policies and procedures	3.4.1 The impact of policies and procedures is reviewed annually and policies revised if necessary	HR team	Continuous		
	3.5 Form and equality and diversity forum	3.5.1 Invite employees to join a group looking at equality matters relating to employment and customers	Lucy Richards	28/02/18		
	3.6 Equality and diversity training available to all staff	3.6.1 Add refresher E&D training to the Corporate Training Plan	Hannah Cornick	31/03/18		
3.7 Be a Disability Confident employer	3.7.1 See separate action plan to achieve and maintain Disability Confident status	Lucy Richards and HR team				

EQUALITY OBJECTIVES - KEY AREAS	OBJECTIVE	ACTIONS	LEAD OFFICER	TARGET DATE	UPDATES AND CHANGES	COMMENTS
	3.8 Meet the commitment to the Time to Change campaign	3.8.1 See separate action plan for Time to Change	Natasha Sherwood, HR, Helen Barnsley, Corporate Public Health Coordinator			
	3.9 Increase equality and diversity awareness for employees	3.9.1 With the introduction of the Equality and Diversity Forum (see objective 3.5) introduce bitesize awareness sessions for employees on various aspects of equality and diversity.	Lucy Richards	30/09/18		
	3.10 Increase the number of job applications from a more diverse range of candidates including those with protected characteristics	3.10.1 Investigate options and advertise on specialist diversity recruitment sites in order to reach a more diverse range of applicants	Lucy Richards	30/04/18		
		3.10.2 Create a brief diversity and safeguarding statement to appear on all job adverts	Ali Fleming	30/04/18		
4. CONSULTATION AND COMMUNITY DEVELOPMENT Page 335	4.1 The borough's various communities are encouraged to engage with the Council on equality matters	4.1.1 Use all of our communications media to communicate our key messages	Sam Hutchison/Lucy Richards	30/04/18		
	4.2 Protected groups are targeted by inviting them to participate in consultation	4.2.1 Appropriate services are made aware of key issues that their various communities can engage with	Equality and Diversity Forum	31/12/18		
		4.2.2 Coordinate with service leaders on community consultation with regard to the services we provide	Equality and Diversity Forum	31/12/18		

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Corporate Governance and Standards Committee Report

Report of Director of Resources

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Date: 18 January 2018

General Data Protection Regulation: Update

Summary

The Data Protection Act 1998 regulates how the Council uses and stores the personal data of its customers and staff. An EU Directive, the General Data Protection Regulation (GDPR) will replace the Data Protection Act. The GDPR sets out how organisations can collect and use personal data. The GDPR comes into force in May 2018. Before then, the UK will pass a new law so that the GDPR applies in the UK. The GDPR applies to organisations that provide goods or services to individuals in the EU. This includes organisations outside the EU that want to provide goods or services within the EU. The GDPR (and the new law, Data Protection Act 2018) will continue to apply in the UK after the UK leaves the EU.

Recommendation to Committee

The Committee is asked to note this report.

Reason for Recommendation:

To review the Council's progress in complying with the GDPR by 25 May 2018.

1. Purpose of Report

- 1.1 This report explains action taken to progress the implementation of the GDPR by 25 May 2018.

2. Strategic Framework

- 2.1 Good Corporate Governance ensures the Council maintains high standards to protect the personal data of staff and residents, underpinning the values and mission of the Council.

3. Progress since 30 November 2017

- 3.1 The Data Protection Bill began its life in The House of Lords. They are currently examining the Bill, after which it will progress to the House of Commons for further scrutiny. Once approved, the Bill (subject to any tabled amendments), will receive Royal Assent and become the Data Protection Act 2018. This Act is expected to be in force by 5 May 2018.
- 3.2 The Project Board met on 20 December 2017 and discussed training and Awareness, automated systems, procedures, data protection by design, data sharing, data cleansing, current ICT software suppliers and the Senior Leader session that took place on 30 November 2017.
- 3.3 The Council's Data Protection Officer (DPO) provided feedback to the board on recent data protection training. This training provided a general overview of the GDPR and the role of the DPO. All Surrey authorities attended this course. Guildford BC is making excellent progress, and has appropriate plans in place and is so far the only Surrey authority to have appointed a DPO.
- 3.4 Board sub groups are taking forward a wide range of action points, including developing:
- systems and processes
 - corporate guidance and procedures for data cleansing
 - a training and awareness programme; and a
 - review of data sharing (internally and with external partner organisations)
- 3.5 The data cleansing sub group is tasked with developing a way forward and common process for all services to follow to manage and delete legacy personal data, which we plan to start in February 2018. They are also reviewing information asset registers and data retention schedules for all services.
- 3.6 These sub groups are working at a high level focusing on developing corporate processes to comply with the new personal rights that will be available under the Data Protection Act 2018, namely:
- Rights in relation to automated individual decision making (including profiling)
 - Rights to Data Portability
 - Right of Erasure; and the
 - Right to Rectification
- They are also reviewing the existing right to collect and process personal data.
- 3.7 The board is considering how the Council can demonstrate data protection by design, in particular, how to incorporate this into existing and new corporate processes and new corporate/major projects. The Council can achieve Data protection by design by proactively identifying risks to personal data and applying suitable measures to reduce those risks.

- 3.8 The DPO is reviewing the impact of GDPR on the security of personal data and reporting on this to CMT.

4. Financial Implications

- 4.1 If the Council fails to comply with the GDPR, there is a risk the Council could be fined up to 4% of turnover. The Council's gross income (less internal recharges) recorded in the 2016-17 statement of accounts was £69 million, so a fine of 4% could be up to £2.76 million.

- 4.2 There are no other financial implications arising from this report.

5. Legal Implications

- 5.1 There are no other legal implications arising from this report.

6. Human Resource Implications

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

7. Conclusion

- 7.1 The GDPR marks a major change in the way the Council must use and store personal data from 25 May 2018. The Council has begun work to raise awareness of the GDPR and its impact, to audit the information the Council holds, to review the Council's privacy notices and to review Council procedures. This will ensure the Council is compliant with the GDPR in how it processes the personal data of individuals.

8. Background Papers

[Corporate Governance Standards Committee Item 7 - 21 September 2017](#)
[Corporate Governance Standards Committee Item 7 – 30 November 2017](#)

9. Appendices

None

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Resources

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Date: 18 January 2018

Corporate Governance and Standards Committee Work Programme for 2018-19

Recommendation

That the Committee considers and approves its updated work programme for the remainder of the 2017-18 municipal year and the 2018-19 municipal year, as detailed in Appendix 1 to this report.

Reason for recommendations:

To allow the Committee to maintain and update its work programme.

1. Purpose of report

- 1.1 The draft work programme attached as Appendix 1 sets out the items to be considered by this Committee for the remainder of the 2017-18 municipal year and for the 2018-19 municipal year.

2. Draft work programme

- 2.1 The draft work programme for the Corporate Governance and Standards Committee is set out in Appendix 1 to this report. The timing of the reports contained in the work programme is subject to change, in consultation with the chairman. The items to be considered include decisions to be made by the Executive and/or full Council, with consideration of any comments or recommendations made by this Committee.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4. Legal Implications

- 4.1 There are no legal implications arising directly from this report.

5. **Human Resource Implications**

5.1 There are no human resources implications arising directly from this report.

6. **Background Papers**

- Guildford Borough Council Forward Plan
- Corporate Management Team Forward Plan

7. **Appendices**

Appendix 1: Corporate Governance and Standards Committee draft work programme

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

29 March 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Discussions with those charged with governance	To agree the Committee's response to the external auditor's audit plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
External Audit Plan and Audit Update 2017-18	To approve the external audit plan for 2017-18, and to note the content of the External Auditor's update report and make any appropriate comments.	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Financial Monitoring 2017-18 Period 10 (April 2017 to January 2018)	To note the results of the Council's financial monitoring for the period April 2017 to January 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Annual report of the Monitoring Officer regarding misconduct allegations	(1) To note the cases dealt with; and (2) To advise the Monitoring Officer of any areas of concern upon which they would like further information and/or further work carried out.	Corporate Governance and Standards Committee	Monitoring Officer
Review of Covert Surveillance Policy	To review in light of a recent audit by the Office of the Surveillance Commissioner	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

14 June 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Governance Statement 2017-18	To adopt the Council's Annual Governance Statement 2017-18	Executive: 19 June 2018	Claire Morris 01483 444827
Treasury Management Annual Report 2017-18	To consider the Treasury Management Annual Report 2017-18	Council: 24 July 2018	Victoria Worsfold 01483 444834
Draft Statement of Accounts for 2017-18	To note the draft statement of accounts signed by the Chief Finance Officer for 2017-18	Executive: 19 June 2018	Claire Morris 01483 444827
External Audit 2018-19 Fee Letter	To consider the planned audit fee	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Internal Audit Plan 2018-19	To consider the internal audit plan for 2018-19	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Review of Arrangements for dealing with allegations of misconduct by councillors	To consider the outcome of the review of the Arrangements in the light of the first full hearing in September 2017	Corporate Governance and Standards Committee	Monitoring Officer
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Review of the Councillors' Development Steering Group	(1) To approve the numerical allocation of seats on the Steering Group to each political group for 2018-19. (2) To ask political group leaders to confirm the councillor membership of the Steering Group for 2018-19	Corporate Governance and Standards Committee	John Armstrong 01483 444102

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

26 July 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
2017-18 Audit Findings Report: Year ended 31 March 2018	To note the external auditor's findings and management's response in the Action Plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
2017-18 Audited Statement of Accounts	To approve the 2017-18 Statement of Accounts	Corporate Governance and Standards Committee	Claire Morris 01483 444827
External Audit Update	To consider the update report from the Council's External Auditors	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of Internal Audit Reports October 2017 – March 2018	To consider the summary of internal audit reports for the period October 2017 to March 2018, including an update on complaints to the Local Government Ombudsman for that period	Corporate Governance and Standards Committee	Joan Poole 01483 444854
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Freedom of Information Compliance update	To consider the update report on the Council's performance in dealing with Freedom of Information requests (January to June 2018)	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

20 September 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2018-19 Period 3 (April to June 2018)	To note the results of the Council's financial monitoring for the period April to June 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Councillor Training and Development Update	To consider a report from the Councillors' Development Steering Group relating to councillor training and development	Corporate Governance and Standards Committee	Sophie Butcher 01483 444056

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

29 November 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Audit Letter for 2017-18	To consider the Annual Audit Letter and Annual Governance Report for 2016-17	Executive: 8 January 2019	Claire Morris 01483 444827
Financial Monitoring 2018-19: Period 6 (April to September 2018)	To note the results of the Council's financial monitoring for the period April to September 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Summary of internal audit reports (April to September 2018)	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2018, including update on complaints to the Local Government Ombudsman for that period.	Corporate Governance and Standards Committee	Joan Poole 01483 444854

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

17 January 2019

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Treasury Management Annual Strategy Report 2019-20 and Prudential Indicators 2019-20 to 2023-24	To recommend to Council the adoption of the revised Treasury Management Strategy and prudential indicators	Executive: 22 January Council: 6 February 2019	Victoria Worsfold 01483 444834
Financial Monitoring 2017-18 Period 8 (April to November 2018)	To note the results of the Council's financial monitoring for the period April to November 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Annual report of the Monitoring Officer regarding misconduct allegations	(3) To note the cases dealt with; and (4) To advise the Monitoring Officer of any areas of concern upon which they would like further information and/or further work carried out.	Corporate Governance and Standards Committee	Monitoring Officer
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Freedom of Information Compliance - Annual Report 2018	To consider the update report on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

28 March 2019

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Discussions with those charged with governance	To agree the Committee's response to the external auditor's audit plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
External Audit Plan and Audit Update 2018-19	To approve the external audit plan for 2018-19, and to note the content of the External Auditor's update report and make any appropriate comments.	Corporate Governance and Standards Committee	Claire Morris 01483 444827
General Data Protection Regulation (GDPR)	To consider a report on progress with compliance with the GDPR	Corporate Governance and Standards Committee	Joyce Hamilton 01483 444053
Financial Monitoring 2018-19 Period 10 (April 2018 to January 2019)	To note the results of the Council's financial monitoring for the period April 2018 to January 2019	Corporate Governance and Standards Committee	Claire Morris 01483 444827

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