GUILDFORD BOROUGH COUNCIL

BILLINGTON
MAYOR

Contact Officer:

John Armstrong,
Democratic Services and Elections Manager

28 January 2020

To the Councillors of Guildford Borough Council

You are hereby summoned to attend a meeting of the Council for the Borough of Guildford to be held in the **Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB** on **WEDNESDAY 5 FEBRUARY 2020** commencing at 7.00 pm.

James Whiteman
Managing Director

Millmead House
Millmead
Guildford
Surrey GU2 4BB

www.guildford.gov.uk

WEBCASTING NOTICE

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

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

THE COUNCIL'S STRATEGIC FRAMEWORK

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.

Three fundamental themes and nine strategic priorities that support our vision:

Place-making	Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes
	Making travel in Guildford and across the borough easier
	Regenerating and improving Guildford town centre and other urban areas
Community	Supporting older, more vulnerable and less advantaged people in our community
	Protecting our environment
	Enhancing sporting, cultural, community, and recreational facilities
Innovation	Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need
	Creating smart places infrastructure across Guildford
	Using innovation, technology and new ways of working to improve value for money and efficiency in Council 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.

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

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DISCLOSURES OF INTEREST

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

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

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

3. MINUTES (Pages 5 - 26)

To confirm the minutes of the meeting of the Council held on 3 December 2019, and the minutes of the extraordinary meeting held on 16 January 2020.

4. MAYOR'S COMMUNICATIONS

To receive any communications or announcements from the Mayor.

5. LEADER'S COMMUNICATIONS

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

6. PUBLIC PARTICIPATION

To receive questions or statements from the public.

7. QUESTIONS FROM COUNCILLORS

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

8. PAY POLICY STATEMENT 2020-21 (Pages 27 - 42)

9. CAPITAL AND INVESTMENT STRATEGY 2020-21 TO 2024-2025 (Pages 43 - 124)

10. HOUSING REVENUE ACCOUNT BUDGET 2020-21 (Pages 125 - 148)

11. BUSINESS PLANNING - GENERAL FUND BUDGET 2020-21 (Pages 149 - 234)

12. SELECTION OF DEPUTY MAYOR: 2020-21 (Pages 235 - 238)

13. MINUTES OF THE EXECUTIVE (Pages 239 - 254)

To receive and note the attached minutes of the meetings of the Executive held on 22 October and 26 November 2019.

14. COMMON SEAL

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

GUILDFORD BOROUGH COUNCIL

Draft Minutes of a meeting of Guildford Borough Council held at Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on Tuesday 3 December 2019

* Councillor Richard Billington (Mayor)
* Councillor Marsha Moseley (Deputy Mayor)

* Councillor Paul Abbey
* Councillor Tim Anderson
* Councillor Jon Askew
* Councillor Christopher Barrass
* Councillor Joss Bigmore
* Councillor David Bilbé
* Councillor Chris Blow
* Councillor Dennis Booth
Councillor Ruth Brothwell
* Councillor Colin Cross
* Councillor Graham Eyre
* Councillor Andrew Gomm
* Councillor Angela Goodwin
* Councillor David Goodwin
* Councillor Angela Gunning
* Councillor Gillian Harwood
* Councillor Jan Harwood
* Councillor Liz Hogger
* Councillor Tom Hunt
* Councillor Gordon Jackson
* Councillor Diana Jones
* Councillor Steven Lee
* Councillor Nigel Manning
* Councillor Ted Mayne
* Councillor Julia McShane
Councillor Ann McShee
* Councillor Bob McShee
* Councillor Masuk Miah
* Councillor Ramsey Nagaty
* Councillor Susan Parker
* Councillor George Potter
Councillor Jo Randall
* Councillor John Redpath
* Councillor Maddy Redpath
* Councillor Caroline Reeves
* Councillor John Rigg
* Councillor Tony Rooth
* Councillor Will Salmon
* Councillor Deborah Seabrook
* Councillor Pauline Searle
* Councillor Patrick Sheard
* Councillor Paul Spooner
Councillor James Steel
* Councillor James Walsh
* Councillor Fiona White
* Councillor Catherine Young

*Present

Honorary Freeman Jen Powell and Honorary Aldermen Keith Childs, Terence Patrick, and Nick Sutcliffe were also in attendance.

CO78 APOLOGIES FOR ABSENCE
Apologies for absence were received from Councillors Ruth Brothwell, Ann McShee, Jo Randall, and James Steel and from Honorary Aldermen Catherine Cobley, Sarah Creedy, Clare Griffin, Jayne Marks, and Lynda Strudwick.

CO79 DISCLOSURES OF INTEREST
There were no disclosures of interest.

CO80 MINUTES
The Council confirmed, as a correct record, the minutes of the meeting held on 8 October 2019. The Mayor signed the minutes.

CO81 MAYOR'S COMMUNICATIONS
The Mayor reported on the recent deaths of Mr David Cranham, former Mayor’s Chauffeur who had been diagnosed with Alzheimer’s, and Mr Jim Cunningham, from the Heritage Services team, who had been killed in a road accident.

The Council observed a moment's silence in memory of them.

CO82 LEADER'S COMMUNICATIONS

There were no communications from the Leader of the Council.

CO83 PUBLIC PARTICIPATION

Mr Keith Chesterton, on behalf of the Defend our Bus Station Group, asked the Leader of the Council, Councillor Caroline Reeves, the following question:

> *"Can the Leader of the Council, on behalf of Guildford Borough Council, please make every effort to keep the bus station in its present location, but also to make sure it is improved?*
>
> *Bus passengers have made it plain on several occasions that overwhelmingly they want the bus station where it is but for it to be improved.*
>
> *In 2017, the Council commissioned Systra to do consultations with stakeholders, including bus passengers, on the design and location of bus facilities in the centre of Guildford.*
>
> *The summary report (GBC Ref 1056142) makes it clear that the vast majority of stakeholders, and certainly bus passengers wanted the bus station to remain where it is now but to improve it.*
>
> *This confirmed what I with other members of the Defend our Bus station Group, found when in 2011/12 we spoke to hundreds of bus users at the bus station. We also collected 2,600 signatures to a petition "Don't Move the Bus Station – Improve It". Nothing has happened since to invalidate the results.*
>
> *The primary reason for the Council wanting to move the bus station in the first place was so that John Lewis and a major shopping development with car park could be put in its place. Economic changes have now made that impossible.*
>
> *Others wanted a full bus interchange at the railway station. This would always have been difficult but the Solum development has now made that impossible.*
>
> *Thus the two reasons for moving it have disappeared.*
>
> *The bus station is an essential part of the infrastructure of Guildford and should not be moved to suit the convenience of developers."*

The Leader of the Council's response was as follows:

> *"The Policy allocation (A5) for North Street redevelopment includes a requirement (point 8) that the 'Bus interchange facilities presently provided at Guildford bus station on the site are to be provided in a suitable alternative arrangement to be located either partly or wholly on or off site.' Maintaining suitable bus interchange facilities in Guildford town centre is a key consideration in relation to any forthcoming planning application for the site.*
>
> *The Council are aware of issues with the current facility. In line with the Local Plan policy, we will be working with the developer at North Street to secure provision of a suitable alternative to meet passenger needs.*
>
> *There will be public consultation on redevelopment proposals for the North Street site, including in relation to the Bus Station, as part of the planning process."*

Councillor Caroline Reeves
Leader of the Council

CO84 QUESTIONS FROM COUNCILLORS

(1) Councillor Steven Lee asked the Lead Councillor for Planning, Regeneration, and Housing Delivery, Councillor Jan Harwood, the following question:

"Guildford has a huge and persistent problem with regular traffic jams and congestion. We were recently named the most congested town in England and the issue ranked as number one with our residents in a recent poll.

With the planned development for Guildford and its environs over the next ten to fifteen years, there is a unique window of opportunity to work with County Highways and Highways England to overhaul our road infrastructure and thereby reduce congestion as part of the framework of development.

Given this, can the Lead Councillor for Planning, Regeneration and Housing Delivery tell us whether the planning department has considered creating a Supplementary Planning Document (SPD) to identify and safeguard potential future routes for new road infrastructure to alleviate traffic through Guildford - whether that be access points for a tunnel, a bypass route or any other practical option? If not, would they be willing to consider creating such an SPD?"

The Lead Councillor's response was as follows:

"The Council works with both Surrey County Council and Highways England, respectively the statutory highway authorities for local and strategic roads.

The now adopted Local Plan: Strategy and Sites was prepared with the active involvement of both Surrey County Council and Highways England (and its predecessor the Highways Agency) in the period from 2012. The Council worked with these and other partners to align their strategies and investments for transport with our forward planning of development patterns. As the Local Plan inspector noted in his report on the plan, the Council worked 'through an extensive number of working groups and stakeholder meetings' on transport matters (para 17).

It should be noted that specific requirements for junctions on the local and strategic road networks to be provided or have their capacity increased are set out in site allocation policies including for the strategic sites in the adopted Local Plan: Strategy and Sites. Highways England and Surrey County Council were statutory consultees for the public consultations on the draft versions of the plan, and their comments with respect to proposed changes to the local and strategic road networks were taken into account by Guildford Borough Council in the preparation of the plan.

Beyond those proposed changes to the local and strategic road networks described in the adopted plan, neither Highways England nor Surrey County Council requested, or has since made a request, that Guildford Borough Council further allocates or safeguards land for potential future routes for new public road infrastructure.

It is worth noting that, in agreement with Network Rail, the site allocation as Policy A7 Land west of Guildford railway station, was "allocated for a 'Guildford platform capacity' scheme involving additional platforms and layout changes at Guildford railway station as proposed in the Wessex Route Study". Policy A28 allocates a site for a new rail station at Guildford West (Park Barn) on the North Downs Line adjacent to the Royal Surrey County Hospital.

In the statutory spatial planning arena, sites can only be allocated for new highway or transport infrastructure or safeguarded for potential future new highway or transport infrastructure through the preparation of a Local Plan (which is a Development Plan Document). This cannot be done through a Supplementary Planning Document. In a future review of the Local Plan, or preparation of a new Local Plan, it would be possible to explore whether further allocations or safeguarding for highway infrastructure can be justified at that time. This would need to be evidence based and be promoted/supported by the relevant highway authority.

Statutory highway authorities, including Highways England and Surrey County Council, also have bespoke statutory powers such as the power to prescribe improvement lines for widening public highways (under the Highways Act 1980 as modified) and Development Consent Orders (under the Planning Act 2008)".

Councillor Jan Harwood
Lead Councillor for Planning, Regeneration, and Housing Delivery

Arising from a supplementary question, which sought clarification as to whether the Lead Councillor agreed that increasing roads or tunnels would reduce urban congestion, the Lead Councillor confirmed that theoretically if there were more roads with the same number of cars there would be less congestion, but in respect of a viable approach to traffic issues, the answer was probably "no".

(2) Councillor Tony Rooth asked the Leader of the Council, Councillor Caroline Reeves, the following question:

"In view of the challenges faced to keep our town centre vibrant, our retailers trading and our shops open could the Leader of the Council confirm what steps the Council is taking to bring residents and visitors alike into our town by making attractions such as the Guildhall more available and open to the public?"

The Leader of the Council's response was as follows:

"While we do have a number of empty retail sites in the town, the most recent visitor numbers show an improvement from 2017, with 4.9 million tourism trips to the Borough with an improved overall spend of over £238.2 million and I believe we have worked hard to deliver an enhanced Visit Guildford brand through a new dedicated website and social media reach. The Tourist Information Centre also works hard to support town centre events and sells tickets for a number of key arts/cultural organisations. The retail sector everywhere has suffered and the issue of over inflated rents in this area will have to be addressed by the site owners or landlords. Of course, if a national chain folds then the store in Guildford will close even if it was successful. It should be noted that our independent stores have succeeded in bucking the trend.

A number of initiatives to support increased footfall have been undertaken and include:

- *Five new specialist markets in the High Street this year (Vegan and antique markets) that have been really successful*
- *Events like Innovate Guildford and the Digital Games Festival have brought new visitors to Guildford*
- *We are currently discussing tailored walks with the town guides for local employers and we have sent over 100 welcome packs to local businesses that include tourism and events information covering the town centre.*
- *Specifically looking at the retail sector following our meeting with Experience Guildford we agreed to explore the opportunities for more training with retailers on e-commerce and digital marketing – a number of retailers have also benefited from GBC business grants. We are mapping the ownership of units to see if we*

can identify ways of influencing the institutional owners to be more proactive in promoting their shops and looking at whether we can put in temporary vinyls to improve the appearance of empty units and also look at opportunities for pop-up shops.

We could be proactive in promoting the Guildhall for Corporate use (businesses that attended business leaders' dinners in the past have often asked about it). There is also an idea that the Guildhall or the Brewhouse could be used for music recitals. However, given both buildings are listed there may be additional costs incurred in being maintained as regular venues with health and safety considerations for this kind of use.

A few years ago, we set up a study group to look at the use of town centre venues, perhaps this should be reviewed through an Executive Advisory Board?"

Councillor Caroline Reeves
Leader of the Council

In response to a supplementary question, which sought the Leader's view on opening the Guildhall for greater use by the public, the Leader suggested that the use of town centre venues, including the Guildhall, should be reviewed through an Executive Advisory Board. The Leader also suggested that, as retail was not the only reason people visit Guildford, the Council should also be looking at promoting all the historical attractions in the town in order to attract a much broader group of visitors.

(3) Councillor John Redpath asked the Lead Councillor for Planning, Regeneration, and Housing Delivery, Councillor Jan Harwood, the following question:

"This Council agreed unanimously in July that it wants to master plan the town centre appointing a best in class multi-disciplinary team of external experts to identify the best possible options for the town. The question about progress asked at the last council meeting received a noncommittal reply. After years of town centre deterioration and obfuscation on this subject it was assumed by many councillors the council motion required action now.

The challenges of congestion, pollution, accidents, inadequate housing delivery, missed environmental opportunities around the river and poor public realm require action.

I would like to ask will the Lead Councillor for Planning, Regeneration and Housing Delivery confirm that he will instruct the Director of Planning and Regeneration to abide by this unanimous motion to appoint external best in class experts immediately in order to produce the best outcomes which can be identified and implemented by the most appropriate planning route?"

The Lead Councillor's response was as follows:

"The process described in the Council resolution [item CO29, 23 July 2019] has and is being progressed. In this regard, the Planning and Regeneration Department is driving this by:

(1) conducting stakeholder engagement toward developing a set of shared objectives for revitalising Guildford town centre (People and Places are appointed to assist the Council) and the draft report will be ready this month;

(2) reviewing previous work commissioned in relation to the Town Centre including previous masterplanning, with a view to informing the next steps and further

work (David Lock and Associates are appointed to assist the Council). Again this initial work will be with GBC shortly; and

(3) submitting a funding bid to Council, which anticipates further work required to progress in line with the Council resolution. It is intended that this bid will be considered in February 2020 and be included in the budget for the next financial year".

Councillor Jan Harwood
Lead Councillor for Planning, Regeneration, and Housing Delivery

In response to a supplementary question, which asked the Lead Councillor to confirm whether he would instruct, or had instructed, the Director of Planning and Regeneration to appoint external best in class experts, the Lead Councillor confirmed that, from his written answer, he had set out to make the appointment.

(4) **Councillor Deborah Seabrook** asked the Leader of the Council, Councillor Caroline Reeves, the following question:

"Residents are disappointed that the county council are not moving to Guildford, the county town. It feels like a missed opportunity.

I would like to ask the Leader of the Council:

(a) What efforts did the leadership make to persuade Surrey County Council to choose Guildford?
(b) What was the strategy and how and by whom was it agreed?
(c) Who led the bid team and what was its composition?
(d) Why was there no communication or consultation with the whole council about negotiations?
(e) Why was Woking chosen in preference to Guildford?
(f) What is the assessment (including but not limited to financial aspects) of the impact and lost opportunity for Guildford of SCC's move to Woking?
(g) What has been learned and put into practice to ensure Guildford does not lose out on any future opportunities?"

The Leader of the Council's response was as follows:

"As part of the 'Moving Closer to Residents' project launched by Surrey County Council (SCC) in late 2018, SCC initially advised borough and district (B&D) councils of its intention to move out of County Hall in Kingston into Surrey by the end of 2020. The programme for doing so is based on increasingly agile ways of working for most staff and the creation of a 'Civic Heart', based in the county, accommodating Councillors, (including Cabinet and Scrutiny Committee meetings), the Corporate Leadership Team, democratic services and aspects of other support services such as legal and finance services. The 'Civic Heart' was described at that stage as needing to be owned freehold by SCC and potentially comprising around 250 staff but only requiring 100 to 150 desks as staff would be working in increasingly agile ways. In order to identify a new location for the Civic Heart, SCC embarked upon a search exercise, focused on Guildford and Woking as preferred locations, in the following three stages:

(1) SCC contacted all B&D councils in the county to ask if any of them had any buildings within their asset portfolios that may be suitable for the 'Civic Heart',
(2) SCC employed two property agents to identify a building in Surrey to which a cohort of staff from County Hall, comprising those that work most closely in support of Members and the democratic procedures and processes of the Council (i.e. the Civic Heart) could be relocated to.

(3) SCC employed property agents to source a suitable building in Surrey large enough to provide the opportunity to move most staff from County Hall, and some other locations, into a single building.

A link to the SCC Cabinet papers for September and November detailing their 'Closer to Residents' project can be found on their website but for convenience the links are:

https://mycouncil.surreycc.gov.uk/documents/s63147/item%2015%20-%20MCTR%20Cabinet%20Report%20300819%20DRAFT%20v0.4.2.1.pdf

https://mycouncil.surreycc.gov.uk/documents/g6331/Public%20reports%20pack%20Tuesday%2026-Nov-2019%2014.00%20Cabinet.pdf?T=10

Other reports detailing the project can also be found on SCC's website.

In late 2018, Guildford along with a number of other councils responded to SCC's initial request with the details of a number of assets within our portfolio that we thought may be suitable, the list included Guildford Borough Council's Millmead Offices. The reason for including the Millmead offices was that through our Future Guildford Programme and our own move towards more agile working, the Council does have over 100 desk spaces available within our own building that were offered to SCC. SCC holds its Council and Committee meetings during the day whereas GBC holds its meetings in the evening. Officers also understand that Guildford's Council Chamber is the only Council chamber of the B&D councils in Surrey that is large enough to host a SCC full Council meeting. As such officers considered that there was significant opportunity for sharing office space between the two councils.

In response to specific questions.

(a) What efforts did the leadership make to persuade Surrey County Council to choose Guildford?

As SCC's business case has progressed over the last 12 months, a number of meetings between officers of the two councils were held including meetings between Chief Executive / Managing Director, Directors, Property, Facilities and ICT staff. In addition, officers understand that informal conversations between the former Leader and Deputy Leader and SCC's Leader and key members of the SCC Cabinet were also held. Guildford Officers also provided considerable information regarding the Millmead Offices to Surrey Officers and we understand a number of Surveys were undertaken at Millmead by SCC to help inform their business case. Since the May 2019 election, Officers have briefed the new Leader (GBC), Deputy Leader and Lead Councillor for Finance, Assets and Customer Service regarding the on-going discussions between the two councils about SCC sharing Guildford's Millmead offices for the purposes of its Civic Heart.

In October 2019, we heard that SCC had identified a suitable building in Woking as the new Headquarters (HQ) for SCC. This coincided with our own situation where one of our commercial properties was now vacant and this was having a large financial impact on this Council. One of the options discussed internally at this Council was to look and see if there was scope for this council to move to that site and allow SCC to lease the Millmead site for their HQ. The MD approached SCC's Chief Executive to gauge the level of interest there might be for SCC to lease the Millmead site, potentially fully furnished, and for us to move to our other building. SCC indicated they would wish to take freehold ownership of any building, so the proposal was revised to consider selling the freehold of the whole site to SCC, again potentially fully furnished. Please note that we had not worked up any acquisition costs or costs for us to move to another site at this time – these were simply early discussions. The SCC Council Leader and Chief Executive *visited GBC offices, Managing Director and Leader in early October to again view the site. Clearly, we had not been through appropriate consultation exercises with our staff, councillors or public so could not make any decisions. We had simply wanted to test the possibilities of a proposal of this nature with a view to trying to secure the SCC HQ here at Guildford and addressing our financial challenge in relation to the other building. In view of some of the challenges raised by the whole site (e.g. Annex, partial acquisition, access, etc.) and SCC's timeline for definitively settling matters which ran ahead of our own internal processes the proposal was not developed any further. SCC made an announcement regarding their move to Woking at the end of October 2019.*

(b) What was the strategy and how and by whom was it agreed?
There was no formal strategy. Initial discussions were focussed around building a business case for SCC to share Guildford's Millmead offices and civic suite. The reason this idea was pursued was to increase partnership/joint working, share costs of office accommodation and enable better utilisation of Council offices. Our indicative proposal in October 2019 was a reaction to hearing about the main HQ being at Woking and addressing our financial challenge with our commercial building.

(c) Who led the bid team and what was its composition?
There was no 'bid team' as SCC's approach was not to invite bids but to collaboratively discuss options with B&D councils. Later in the process, SCC engaged two property agents to search the local market for suitable offices that were not already in public sector ownership. The Managing Director, Director of Finance, Facilities Manager and Corporate Property Manager were the staff most involved in discussions with SCC Chief Executive, Director of Transformation and Property Officers.

(d) Why was there no communication or consultation with the whole council about negotiations?
The former Council had previously agreed, as part of the savings proposals for its 2017-18 budget, to lease out spare office space within the Millmead offices to generate rental income. Under the Council's Constitution, a decision to lease a part of the Council's Millmead offices (or any of our property) is a decision that would be taken under Officer delegated authority by the Corporate Property Manager, in consultation with the Lead Councillor for Finance, Assets and Customer Services. The Council already has a number of tenants within its Millmead offices and the decision to lease the vacant space to those tenants and on what terms is an operational decision.

That said, if it had become apparent that the option of sharing the Millmead offices with SCC was SCC's preferred option then the Full Council would have been informed.

Also, the option discussed in October 2019 to potentially sell the Millmead site to SCC could only have proceeded with full consultation having taken place with staff, councillors and the public. As stated previously, aspects of the site and disposal, along with SCC's timetable did not allow for this this option to be developed any further.

(e) Why was Woking chosen in preference to Guildford?
This is a matter for SCC and is set out in the SCC Cabinet report referenced (and link provided) above.

(f) ***What is the assessment (including but limited to financial aspects) of the impact and lost opportunity for Guildford of SCC's move to Woking?***
We have not carried out an assessment and do not feel it would be a valuable use of time or money to undertake one. The office space at Millmead is in the process of being leased to SCC for their 'Multi-Agency Safeguarding Hub (MASH)' so it is not anticipated that there will be a loss of rental income Other office space at Millmead is also already leased to SCC for its Guildford Adult Social Care team and discussions are also on-going about SCC locating other teams at Millmead in the future subject to space availability.

(g) ***What has been learned and put into practice to ensure Guildford does not lose out on any future opportunities?***
Joint working between the two councils continues as it has always done. Where opportunities to collaborate and share services or property arise Officers will continue to explore them. The fact that there is no available vacant office block large enough to accommodate SCC's needs at a price it can afford in Guildford is somewhat outside of this Council's control. However, the Council's adopted local plan does make provision for the development of further employment space within the town centre."

Councillor Caroline Reeves
Leader of the Council

In response to a supplementary question, the Leader confirmed that the key factor around the lack of consultation with councillors in respect of this matter was the lack of time allowed for the Council to go through a process of talking to Members and officers and working out how we would decant into a new building.

CO85 LOCAL COUNCIL TAX SUPPORT SCHEME 2020-21

The Council received a report on its statutory duty to consider annually whether to revise its Local Council Tax Support Scheme (LCTSS), replace it with another or make no changes. The Council was obliged to consult with interested parties if it wished to revise or replace the scheme. In addition, the Council had to approve a scheme for the 2020-21 financial year by 31 January 2020.

In 2019-20, a number of minor changes were made to the scheme. For 2020-21, it was proposed to introduce the following changes, which could be met from within the existing revenue budget:

- Increase Premiums to ensure that the help given does not unduly reduce due to inflation.
- Increase Non-Dependant Deductions to reflect an expectation that their contribution to the household expenses should increase each year.
- Update Income and Capital Disregards to include "the Windrush Compensation Scheme". This mirrored the government's change to the Pension Age scheme, and ensured that recipients were not penalised for receiving compensation. It also ensured that claimants were treated consistently across all schemes.
- Amend the definition of pension age and working age in accordance with the government's changes to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 for 1 April 2020, once they were received.

A stakeholder consultation was held between 16 September and 13 October 2019, the results of which were set out in the report. It was noted that although the County Council and Police and Crime Commissioner had supported the changes, the overall response did not overwhelmingly support for or against any the proposed changes for 2020-21.

Councillors noted that the Council continued to operate in a tough financial climate and that its medium-term financial plan position remained challenging. However, it was recognised that passing on further savings via the LCTS scheme in 2020-21 would place additional financial pressure on vulnerable households. A discretionary hardship fund would help support any resident suffering adversely from the consequences of savings in welfare support over the past seven years, in addition to the proposed changes for 2020-21.

The Executive had considered the report at its meeting on 26 November 2019 and had endorsed the recommendation therein.

Upon the motion of the Lead Councillor for Housing, Access and Disability, Councillor Angela Goodwin, seconded by the Lead Councillor for Finance and Assets, Customer Service, Councillor Joss Bigmore, the Council:

RESOLVED:

(1) That the current Local Council Tax Support Scheme be amended for 2020-21, as set out in detail in Appendix 2 to the report submitted to the Council, with effect from 1 April 2020.

(2) That the Council maintains a discretionary hardship fund of £40,000 in 2020-21.

Reasons:

(1) To ensure that the Council complies with legislation to implement a Local Council Tax Support Scheme from 1 April 2020.

(2) To maintain a discretionary fund to help applicants suffering from severe financial hardship.

CO86 REVIEW OF COUNCILLORS' ALLOWANCES - REPORT OF THE INDEPENDENT REMUNERATION PANEL

The Council considered the report and recommendations of the Council's Independent Remuneration Panel (IRP) on its review of Councillors' Allowances, together with the separate recommendations of the Executive. The Council had appointed the IRP for the purpose of reviewing the existing scheme of allowances, including making recommendations on the types of allowance and amounts to be paid.

The Lead Councillor for Finance and Assets, Customer Service, Councillor Joss Bigmore proposed, and the Leader of the Council, Councillor Caroline Reeves, seconded a motion to adopt the IRP's recommendations, as amended by the Executive.

Having considered the report including the Executive's recommendations and, having regard to the recommendations of the IRP, the Council

RESOLVED:

(1) That the Basic Allowance payable to all members of Guildford Borough Council be £7,405 per annum.

(2) That the maximum number of recipients of Special Responsibility Allowances at any one time does not exceed 50% of Council Members (24 Members).

(3) That the Leader of the Council continues to receive a Special Responsibility Allowance of 200% of the basic allowance, £14,810 per annum.

(4) That the Deputy Leader receives a Special Responsibility Allowance of 50% of the Leader's Special Responsibility Allowance, £7,405 per annum.

(5) That the Members of the Executive, the Chair of the Planning Committee, the Chair of Overview and Scrutiny Committee and the Mayor receive a Special Responsibility Allowance of 40% of the Leader's Special Responsibility Allowance, £5,924 per annum.

(6) That the Shadow Leader's Special Responsibility Allowance be withdrawn.

(7) That the Chairman of the Licensing Committee, the Deputy Mayor, the Chairman of the Corporate Governance and Standards Committee, the Chairs of the Executive Advisory Boards and the Guildford Joint Committee Chair each receive a Special Responsibility Allowance of 25% of the Leader's Special Responsibility Allowance, £3,703 per annum.

(8) That the Vice Chair of the Guildford Joint Committee receive a Special Responsibility Allowance of 10% of the Leader's Special Responsibility Allowance, £1,481 per annum.

(9) That the Chairs of the Licensing Sub-Committees continue to be eligible to receive a Special Responsibility Allowance on a per meeting basis, currently £280 per meeting.

(10) That Political Group Leaders continue to receive a Special Responsibility Allowance of 1% of the Basic Allowance per group member (£74 per councillor per annum).

(11) That the role of Deputy Lead Councillor should not be awarded a Special Responsibility Allowance.

(12) That co-optees continue to receive an allowance of 2.5% of the Leader's Special Responsibility Allowance, £370 per annum.

(13) That Travelling and Subsistence Allowance should continue to be payable to councillors and co-opted members in connection with any approved duties.

(14) That the amounts payable in respect of Travelling and Subsistence Allowance should continue to be the amounts which are payable to officers of the Council for travelling and subsistence undertaken in the course of their duties.

(15) That Councillors should also be permitted to claim for reimbursement of any reasonable parking charges incurred whilst on approved duties.

(16) That the Dependants' Carers' Allowance should be based on two rates. Rate one for general care be at a rate of £10.58 per hour, with no monthly maximum claim. Rate two should be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required.

(17) That no change should be made to the current eligibility conditions for receipt of the Dependants' Carers' Allowance, except that the duties for which this allowance is payable should be in accordance with the list of approved Councillor duties. The Council should also actively promote the allowance to prospective and new councillors both before and following an election.

(18) That the level of the Mayor's and the Deputy Mayor's allowances payable under Sections 3 and 5 respectively of the Local Government Act 1972 to meet the expenses of their offices should remain unchanged at £8,000 and £2,000 per annum respectively.

(19) That the recommended duties for which Dependants' Carers' Allowance and Travelling and Subsistence Allowance should be payable should be amended to include councillor ward and constituency activities including attendance at ward surgeries.

(20) That the Council considers the introduction of a policy to support parental leave for councillors as outlined in the Panel's report.

(21) That the basic allowance, each of the SRAs, the Co-Optees' Allowance and the Dependants' Carers' Allowance be increased annually in line with the percentage increase in staff salaries until 2023, at which time the Scheme shall be reviewed again by an independent remuneration panel.

(22) That the new scheme of allowances to be agreed by the Council in December 2019 be implemented with effect from the beginning of the 2020-21 financial year, at which time the current scheme of allowances will be revoked.

Reason:
In order to comply with the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended).

CO87 COMMUNITY GOVERNANCE REVIEW OF THE PARISHES OF EAST HORSLEY AND EFFINGHAM

Councillors were reminded that at its meeting on 23 July 2019, the Council had approved a request from East Horsley Parish Council to conduct a community governance review (CGR) in accordance with provisions of the Local Government and Public Involvement in Health Act 2007 ("the 2007 Act") regarding the following proposals:

Proposal 1
Subject to Proposal 2 below, to alter the existing boundary between the parishes of East Horsley and Effingham in the area close to Effingham Common.

Proposal 2
To recommend to the Local Government Boundary Commission for England ("LGBCE") that it approves the change of the existing boundary between the Clandon and Horsley ward and the Effingham ward of the Borough Council so that it is coterminous with the change to the parish boundary referred to in Proposal 1 above.

Proposal 3
To increase the maximum number of councillors to be elected to East Horsley Parish Council from nine councillors to twelve councillors.

The Council considered a report setting out details of the representations received during the consultation period and the options open to the Council in making its formal response to the CGR.

Upon the motion of Councillor Liz Hogger, seconded by Councillor Catherine Young, the Council

RESOLVED:

(1) That, taking account of the statutory considerations, the Council agrees the outcome of the community governance review as follows:

(a) to alter, with effect from 1 April 2023, the existing boundary between the parish of East Horsley and the North Ward of the parish of Effingham in the area close to Effingham Common along the route shown in the terms of reference of the review, subject to the further alteration described in paragraph 9.2 (b) of the report submitted to the Council;

(b) to recommend to the Local Government Boundary Commission for England that it approves, as a consequential change, an alteration of the existing boundary between the Clandon and Horsley ward and the Effingham ward of the Borough Council so that it is coterminous with the change to the parish boundary referred to in (a) above;

(c) to increase the number of parish councillors to be elected to East Horsley Parish Council from nine to twelve with effect from the next scheduled parish council elections in May 2023; and

(d) to make no other changes:

(i) to the parishes of East Horsley and Effingham or
(ii) to the electoral arrangements for East Horsley Parish Council and Effingham Parish Council.

(2) That the Democratic Services Manager be authorised to make a community governance reorganisation order under Sections 86 and 88 of the Local Government and Public Involvement in Health Act 2007 to give effect to the decision approved in paragraph (1) above, together with all necessary incidental, consequential, transitional or supplementary provisions as may be required to give full effect to the order.

Reason:
To ensure that community governance within the area under review is:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient

CO88 TAXI AND PRIVATE HIRE ENFORCEMENT - DELEGATIONS FOR SURREY JOINT WARRANTING

The Council considered a report which sought approval for the proposed arrangements between Surrey Licensing Authorities to introduce joint warranting for Licensing Officers to enable improved enforcement of the taxi and private hire trade across the County.

This proposal had been considered and supported by the Licensing Committee at its meeting on 25 September 2019. The delegation of non-Executive functions to another local authority and the acceptance of any delegation of functions from another local authority were decisions that only full Council may take.

Upon the motion of the Lead Councillor for Waste, Licensing, and Parking, Councillor David Goodwin, seconded by the Leader of the Council, Councillor Caroline Reeves, the Council

RESOLVED:

(1) That the Council's Taxi and Private Hire enforcement powers, as set out in Appendix 1 to the report submitted to the Council, be delegated jointly to the following licensing authorities:

- Elmbridge Borough Council
- Epsom and Ewell Borough Council
- Mole Valley District Council
- Reigate and Banstead Borough Council
- Runnymede Borough Council
- Spelthorne Borough Council
- Surrey Heath Borough Council
- Tandridge District Council
- Waverley Borough Council
- Woking Borough Council

without prejudice to the Council's ability to exercise those powers itself within the Borough.

(2) That similar delegated Taxi and Private Hire enforcement powers be accepted from the following licensing authorities:

- Elmbridge Borough Council
- Epsom and Ewell Borough Council
- Mole Valley District Council
- Reigate and Banstead Borough Council
- Runnymede Borough Council
- Spelthorne Borough Council
- Surrey Heath Borough Council
- Tandridge District Council
- Waverley Borough Council
- Woking Borough Council

(3) That the Regulatory Services Manager be authorised to undertake the Taxi and Private Hire enforcement powers referred to in paragraph (2) above.

Reason:
To improve safety within the licensed hackney carriage and private hire vehicle service operating in Surrey.

CO89 SELECTION OF THE MAYOR AND THE DEPUTY MAYOR 2020-21

The Council considered a report on nominations received for election of Mayor and appointment of Deputy Mayor for the municipal year 2020-21. The constitutional changes adopted by the Council as part of the review of the Civic Function in April 2014 in respect of the Mayoralty, provided that the Council would normally elect the Deputy Mayor appointed at the annual meeting of the Council as Mayor at the next succeeding annual meeting.

Although political group leaders had been asked to submit nominations in respect of the Deputy Mayoralty for 2020-21, none had been received.

Accordingly, the Council was asked to consider the nomination of Councillor Marsha Moseley for Mayor in 2020-21. Councillor Moseley left the meeting during the Council's consideration of this matter.

Upon the motion of the Leader of the Council, Councillor Caroline Reeves seconded by the Deputy Leader of the Council, Councillor Fiona White, the Council

RESOLVED:

(1) That the Deputy Mayor, Councillor Marsha Moseley be nominated for the Mayoralty of the Borough for the 2020-21 municipal year.

(2) That consideration of nominations for appointment of Deputy Mayor for the 2020-21 municipal year, be deferred to the meeting of the Council to be held on 5 February 2020.

Reason:
To make early preparations for the selection of the Mayor and Deputy Mayor for the 2020-21 municipal year.

CO90 MINUTES OF THE EXECUTIVE

The Council received and noted the minutes of the meetings of the Executive held on 24 September 2019.

CO91 NOTICE OF MOTION DATED 26 SEPTEMBER 2019: ENVIRONMENTAL AUDIT

This motion was withdrawn in accordance with Council Procedure Rule 15 (p).

CO92 NOTICE OF MOTION DATED 21 NOVEMBER 2019: MODERN SLAVERY

In accordance with Council Procedure Rule 11, Councillor James Walsh proposed, and Councillor Angela Gunning seconded, the adoption of the following motion:

"Guildford Borough Council has embedded measures to address the evils of modern slavery in its safeguarding policy and procedures and we welcome this as an essential first step to tackling exploitation in Guildford.

However, with the number of people estimated to have been coerced into modern slavery nationally increasing tenfold between 2013 and 2016 – from 13,000 to 136,000 – we believe that a more proactive approach now needs to be taken by this council, in line with the 50 others – including Surrey County Council – that have signed up to the Charter against Modern Slavery.

Collectively, councils across the UK spend £40bn per year on procuring services from hundreds of contractors and sub-contractors and they oversee large supply chains in all areas of their business. As public bodies, accountable to the public, they have a duty to ensure that those supply chains do not hide the sins and iniquities of exploitation.

The Charter against Modern Slavery

By signing the Charter against Modern Slavery, Guildford Borough Council commits to:

1. Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.
2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
3. Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.
4. Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
5. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
6. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
7. Review its contractual spending regularly to identify any potential issues with modern slavery.
8. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
9. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
10. Report publicly on the implementation of this policy annually.

Councils who sign this charter can access cost-free support through the Transparency in Supply Chains report (https://tiscreport.org/), an NGO that will monitor companies supplying the council in relation to their compliance with section 54 of the Modern Slavery Act 2015.

This Council resolves:

(1) To sign the Charter Against Modern Slavery, which encompasses points 1 to 10 above, immediately to ensure that it does not inadvertently rely on exploitation and modern slavery in its use of suppliers.

(2) To report back on progress to Full Council on an annual basis, one year from the date the Charter is signed and each year thereafter."

Under Council Procedure Rule 15 (o), Councillor Walsh, as the mover of the original motion, indicated that, with the consent of his seconder and of the meeting, he wished to alter his motion as follows:

After "*This Council resolves*", the addition of "*to ask the Leader of the Council:"*

The Council agreed to accept the alteration to the original motion, as indicated above. The motion, as altered, therefore became the substantive motion for debate.

Having debated the substantive motion, this Council

RESOLVES to ask the Leader of the Council:

(1) To sign the Charter Against Modern Slavery, which encompasses points 1 to 10 above, immediately to ensure that it does not inadvertently rely on exploitation and modern slavery in its use of suppliers.

(2) To report back on progress to Full Council on an annual basis, one year from the date the Charter is signed and each year thereafter.

CO93 NOTICE OF MOTION DATED 22 NOVEMBER 2019: NATIONAL PLANNING POLICY FRAMEWORK

In accordance with Council Procedure Rule 11, Councillor Chris Barrass proposed, and Councillor Jan Harwood seconded, the adoption of the following motion:

"The Council recognises that the National Planning Policy Framework (NPPF) has recently undergone a review.

However, with the now declared Climate Emergency (subsequent to that review), and the widespread support of the principle of building on brownfield before greenfield sites wherever possible, the Council requests the Secretary of State to hold an immediate further review of the NPPF to:

1. Better define "sustainable development" in the light of the declared Climate Emergency.

2. Better assist with brownfield delivery by granting councils simple effective powers to bring forward currently, as well as previously, used sites.

3. Amend Paragraph 145 of the NPPF which is having the unintended consequences in Greenbelt areas of enabling unrestricted building of four bedroomed houses through 'infilling', yet at the same time preventing residents from having a simple extension or garage for their own home."

Under Council Procedure Rule 15 (o), Councillor Barrass as the mover of the original motion, indicated that, with the consent of his seconder and of the meeting, he wished to alter his motion as follows:

(a) Substitute the following in place of the second sentence of the motion:

"However, with the now declared Climate Emergency (subsequent to that review), and the widespread support of the principle of building on brownfield before greenfield sites wherever possible, the Council *asks the Executive to request* the Secretary of State to hold an immediate further review of the NPPF *and its guidance* to:"

(b) Substitute the following in place of item (1) of the list of matters regarding the NPPF suggested for review:

"(1) Recognise the declared Climate Emergency and provide more detailed guidance on creating "sustainable development" which takes into account the required actions on transport and development to meet Carbon Zero, for both brownfield and green field sites."*

**NPPF – Paragraph 7 states: 'the objective of sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs'*

(c) Substitute the following in place of item (3) of the list of matters regarding the NPPF suggested for review:

"(3) Amend Paragraph 145 of the NPPF – to correct the unintended consequences in Greenbelt areas of enabling unrestricted building of inappropriate houses through 'infilling', yet at the same time preventing residents from having a simple extension or garage for their own home."

The motion, as altered, therefore read as follows:

"The Council recognises that the National Planning Policy Framework (NPPF) has recently undergone a review. However, with the now declared Climate Emergency (subsequent to that review), and the widespread support of the principle of building on brownfield before greenfield sites wherever possible, the Council asks the Executive to request the Secretary of State to hold an immediate further review of the NPPF and its guidance to:

(1) Recognise the declared Climate Emergency and provide more detailed guidance on creating "sustainable development"*, which takes into account the required actions on transport and development to meet Carbon Zero, for both brownfield and green field sites.

(2) Better assist with brownfield delivery by granting councils simple effective powers to bring forward currently, as well as previously, used sites.

(3) Amend Paragraph 145 of the NPPF – to correct the unintended consequences in Greenbelt areas of enabling unrestricted building of inappropriate houses through 'infilling', yet at the same time preventing residents from having a simple extension or garage for their own home.

*NPPF – Paragraph 7 states: 'the objective of sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs'"

The Council agreed to accept the alteration to the original motion, as indicated above. The motion, as altered, therefore became the substantive motion for debate.

Having debated the substantive motion, the Council

RESOLVED: That the substantive motion be adopted.

CO94 EXCLUSION OF THE PUBLIC

Upon the motion of the Mayor, Councillor Richard Billington seconded by the Deputy Mayor, Councillor Marsha Moseley, the Council

RESOLVED: 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 involved the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A to the Act.

CO95 LEASE OF PROPERTY IN TOWN CENTRE

At its meeting on 26 November 2019, the Executive had considered this matter and had approved the principal terms of the proposed lease and the associated valuation fees, lettings fees and legal fees which were to be vired from the budget pressures reserve.

Upon the motion of the Lead Councillor for Finance and Assets, Customer Service, Councillor Joss Bigmore, seconded by the Leader of the Council, Councillor Caroline Reeves, the Council

RESOLVED: That the sum of £2.5 million be vired from the capital contingency fund in respect of the contribution towards the refurbishment and fees in respect of the town centre property referred to in the report submitted to the Council.

<u>Reasons:</u>
To complete the lease to secure a longer-term income stream and assist with the regeneration of this part of the town.

CO96 COMMON SEAL

The Council

RESOLVED: That the Common Seal of the Council be affixed to any documents to give effect to any decisions taken by the Council at this meeting.

The meeting finished at 9.22 pm

Signed …………………………………………….. Date …………………………
Mayor

GUILDFORD BOROUGH COUNCIL

Draft Minutes of an extraordinary meeting of Guildford Borough Council held at Council Chamber - Millmead House on Thursday 16 January 2020

* Councillor Richard Billington (Mayor)
* Councillor Marsha Moseley (Deputy Mayor)

* Councillor Paul Abbey	* Councillor Ted Mayne
Councillor Tim Anderson	* Councillor Julia McShane
* Councillor Jon Askew	* Councillor Ann McShee
Councillor Christopher Barrass	* Councillor Bob McShee
* Councillor Joss Bigmore	* Councillor Masuk Miah
Councillor David Bilbé	* Councillor Ramsey Nagaty
* Councillor Chris Blow	* Councillor Susan Parker
* Councillor Dennis Booth	* Councillor George Potter
* Councillor Ruth Brothwell	* Councillor Jo Randall
Councillor Colin Cross	* Councillor John Redpath
* Councillor Graham Eyre	* Councillor Maddy Redpath
Councillor Andrew Gomm	* Councillor Caroline Reeves
* Councillor Angela Goodwin	Councillor John Rigg
Councillor David Goodwin	* Councillor Tony Rooth
* Councillor Angela Gunning	Councillor Will Salmon
* Councillor Gillian Harwood	* Councillor Deborah Seabrook
* Councillor Jan Harwood	* Councillor Pauline Searle
* Councillor Liz Hogger	* Councillor Patrick Sheard
* Councillor Tom Hunt	* Councillor Paul Spooner
Councillor Gordon Jackson	* Councillor James Steel
* Councillor Diana Jones	* Councillor James Walsh
Councillor Steven Lee	* Councillor Fiona White
* Councillor Nigel Manning	* Councillor Catherine Young

*Present

The Council stood in silent tribute to the memory of Honorary Alderman Clare Griffin, who had passed away recently.

CO97 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Tim Anderson, Christopher Barrass, Andrew Gomm, David Goodwin, Gordon Jackson, Steven Lee, John Rigg, and Will Salmon and from Honorary Aldermen Catherine Cobley, Jayne Marks, and Lynda Strudwick.

CO98 DISCLOSURES OF INTEREST

There were no disclosures of interest.

CO99 MAYOR'S COMMUNICATIONS

The Mayor reminded the Council of his forthcoming Charity Valentine’s Ball on Friday 14 February 2020 and noted that there were still some places available. The Mayor asked for councillors’ support for the fundraising activities on the night, perhaps by donating an auction or raffle prize.

CO100 LEADER'S COMMUNICATIONS

There were no communications from the Leader of the Council.

CO101 PUBLIC PARTICIPATION

Amanda Mullarkey, on behalf of Guildford Residents Association, addressed the Council in respect of the Weyside Urban Village Development and raised the following questions/points:

(1) What optimism bias is being applied and is it high enough? Is the Council being over-optimistic in hoping that this relatively modest housing plot can unlock decontamination, new sewage treatment works, Surrey Waste Depot and a Waste facility?

(2) Are the Council's decontamination and remediation costs sufficiently robust? Is £40.5 million enough to put right all the historical industrial and waste uses at this site, including the safe removal of pollutants and contaminants?

(3) Has the Council fully factored in flooding and land instability?

(4) Does 1,500 homes mean a Stalinist wall of flats along the Wey on the approach to Guildford? Is 1,500 homes wishful thinking trying to make the sums work or what would make for a good community scheme? Previously, councillors thought that 1,500 homes would mean too many tall towers. Has the Council dropped the masterplan scheme? The 3D visuals to market the site showed a massive blot with no thought for the riverside setting.

(5) Has the Council resolved the road access issues, particularly across the flood plain? is this a cost and risk deferred? Has the Council factored in the cost of compacting roads to stop them sinking?

(6) Will the Council reinstate the Slyfield community forum?

The Leader of the Council responded to the statement by indicating that a full response to the questions would be given after the meeting. The Leader expressed confidence that the team working on this project would be addressing these and other issues as the project progressed.

CO102 QUESTIONS FROM COUNCILLORS

There were no questions from councillors in respect of the business for which this extraordinary meeting had been called.

CO103 WEYSIDE URBAN VILLAGE DEVELOPMENT

The Council noted that Weyside Urban Village (formerly the Slyfield Area Regeneration Project (SARP)) was a major 41-hectare brownfield regeneration scheme that the Council had anticipated could deliver 1,500 homes across a range of tenures as well as 2,000 square metres of community space and 6,500 square metres of employment space. As such, the Government had designated it as one of its national Housing Zones.

The Council had been working for over 15 years to de-risk the infrastructure delivery and site assembly process. Over 44 per cent of the site was currently in Council ownership, and 100 per cent would be achieved on completion of land transfers with Thames Water. The conditional contract with Thames Water had been signed on 25 April 2019.

Housing was of great significance to the Borough and formed a major theme to the Adopted Local Plan. There was an ongoing shortage of affordable housing, particularly for first time buyers which in turn contributed to a skill shortage in the Borough.

The Council considered a report which sought approval of a capital budget of £359.504 million to enable the infrastructure phase of the Weyside Urban Village Project development to be carried out. The Council had been awarded a £52.3 million grant from the Housing Infrastructure Fund (HIF).

An EM3 Local Enterprise Partnership (LEP) grant of £7.5 million had also been awarded.

At its meeting on 7 January 2020, the Executive had considered this report and had authorised the Managing Director, in consultation with the Leader of the Council, to sign and complete the Grant Agreement with Homes England to implement the infrastructure works and draw down the grant expenditure.

The Executive had also endorsed the recommendation to Council as set out in the report.

Upon the motion of the Leader of the Council, Councillor Caroline Reeves, seconded by the Lead Councillor for Finance and Assets, Customer Service, Councillor Joss Bigmore, the Council unanimously:

RESOLVED:

(1) That an additional capital supplementary estimate of £274.057 million be approved to allow a total capital budget of £359.504 million to enable the Council to deliver the infrastructure phase of this scheme.

(2) That £5.781 million of the additional capital budget be placed on the approved capital programme to progress the allotment relocation and funding of the Thames Water agreement costs during 2019-20.

(3) That the Council acts as Infrastructure Developer until completion of the Thames Water Infrastructure in 2026.

<u>Reasons:</u>
The reasons for recommendation cover financial, economic and social benefits.

The budget will enable the Council to deliver the infrastructure for the development ensuring deliverability and control.

The land value will be increased by the infrastructure phase being delivered upfront and ahead of Land Parcel Sales.

The project will also deliver:

- 1500 new homes including 600 Affordable Homes
- 2000 square metres of community space
- 6500 square metres of employment space
- A new relocated fit for purpose Thames Water Sewage Treatment Works
- Extensive infrastructure improvements
- This scheme contributes to the delivery of the adopted Local Plan
- This scheme contributes £233 million in economic impacts for Guildford

The project has significant infrastructure to be put in place to enable the above critical success factors to be delivered. Allocating a capital budget of £317.355 million will enable all of the infrastructure phase to be delivered and will de-risk the site in readiness for the next stage to facilitate the delivery of homes.

CO104 COMMON SEAL
The Council

RESOLVED: That the Common Seal of the Council be affixed to any documents to give effect to any decisions taken by the Council at this meeting.

The meeting finished at 7.55 pm

Signed ……………………………………………….. Date …………………………
Mayor

Council Report
Ward(s) affected: n/a
Report of Managing Director (Head of Paid Service)
Author: Francesca Smith, Senior Specialist HR
Tel: 01483 444014
Email: francesca.smith@guildford.gov.uk
Lead Councillor responsible: Caroline Reeves
Tel: 07803 204433
Email: caroline.reeves@guildford.gov.uk
Date: 5 February 2020

Pay Policy Statement 2020-21

Recommendation to Council

That the Pay Policy Statement for the 2020-21 financial year, attached at Appendix 1 to this report, be approved.

Reasons for Recommendation:
To comply with the requirements of the Localism Act 2011 (Section 39)

1. Purpose of Report

1.1 Under Section 39 of the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year ahead. This report seeks approval for a statement covering 2020-21, which is set out in **Appendix 1.**

2. Strategic Priorities

2.1 By setting out clearly how the Council is spending public money, the statement supports the Council's mission and values to be efficiently run and to deliver value for money while also demonstrating that we have effective governance in place to manage pay and remuneration for all our staff.

3. Background

3.1 The Localism Act 2011 ("the Act") includes a clear expression of the Government's desire that taxpayers can access information about how public money is spent on their behalf. It translates this into a requirement for improved transparency over both senior council officers' pay and that of the lowest paid employees. To support this, the Act requires us to publish an annual pay policy statement and Council approved the first of these annual statements in 2012.

3.2 The Act sets out specific information that we must include in our pay policy statement, these are:

- the remuneration policy for our Chief Officers (these include the Managing Director, Directors and our second tier officers who are directly accountable to our first tier officers for the management and provision of individual elements of the Council's services). The Act defines remuneration widely to include not just pay but also other allowances, payments or benefits in kind
- the remuneration policy and definition of our lowest paid employees
- the relationship between the remuneration of Chief Officers and other officers
- other policies relating to specific aspects and elements of Chief Officer remuneration such as pay increases, use of performance-related pay and bonuses, remuneration on recruitment, termination payments and other pay terms for the financial year and transparency.

The Act also defines the process for a pay policy statement that:

- must be approved formally by Council
- must be approved by the end of March every year for the following financial year
- must be published on the Council's website as soon as it is approved
- must be complied with for all decisions on pay and reward for Chief Officers
- makes provision for Council to make in year amendments to the statement at any time and this function cannot be delegated.

3.3 The Managing Director has delegated authority, in consultation with the Leader of the Council, to agree any pay award for staff below Corporate Management Team so long as it is within the budget approved by Council.

4 Updates made to the current Pay Policy Statement

4.1 The Pay Policy Statement reflects the current Senior Management structure during the Future Guildford transformation programme, which consists of three Directors reporting to the Managing Director and Service Leaders reporting to either the Managing Director, Directors or Heads of Service.

4.2 A new Head of Service salary band has been introduced for our most senior management level below Directors following the redesign of our organisational structure in Phase A of our transformation. This new management level has been created to provide additional resource and support to the Directors to reflect the reduction in the number of Director posts. The salary range is from £70689 to £76059 pa and the Head of Service Car Provision allowance and the Lump Sum payment have been aligned with Band 10 entitlements.

4.3 The Employment Committee agreed at its meeting on 20 September 2019 to share the Deputy Managing Director payment across the three Director posts and this has been included in the table at paragraph 5.6 setting out the Elements of Remuneration paid to our Senior Management. This payment had formally been allocated to a single Director post to reflect their deputising role; however, this had not been applied in recent years.

4.4 We will continue to pay at the Real Living Wage, as referred to in paragraph 6.2, for outside London, currently £9.30 per hour, at the bottom of our pay scale. This will aid recruitment difficulties in attracting and retaining key staff.

4.5 Reference in paragraph 8.4 to the employment of a senior manager already in receipt of a Local Government pension being ‘unlikely’ or outside of the ‘normal process’ has been removed due to the potential for age discrimination in the over 55 age group.

4.6 The provisions set out in paragraph 10.4 for reducing pension benefit where termination pay costs exceed £95,000 has been removed as this has not currently been legislated for.

4.7 Clarification has been added in the table at paragraph 11.2 Overtime Working to reflect the varying entitlements to enhanced pay across the workforce.

5 Equality and Diversity Implications

5.1 The Council’s duty under section 149 of the Equality Act 2010 is to have due regard to the matters set out in relation to equalities when considering and making decisions. The Pay Policy Statement is designed to bring fairness and equality to the application of pay and remuneration within the Council. There are no direct equality impacts associated with agreeing the Pay Policy Statement itself.

6. Financial Implications

6.1 All of the financial elements of the Pay Policy Statement are included in the 2020-21 draft budget to be considered and approved by Council separately at its meeting on 5 February 2020.

7. Legal Implications

7.1 The Pay Policy Statement is a requirement of section 38 (1) of the Localism Act 2011 that sets a statutory duty on Local Authorities annually to publish a statement approved by Council by the end of the financial year and relating to the new financial year. Failure to comply could lead to a legal challenge to the Council and therefore it is important that the statement reflects the Act and all the associated statutory guidance.

7.2 During 2020-21, we will continue to monitor and review all aspects of the Pay Policy Statement in the light of relevant legislation, statutory guidance, best practice and the changing landscape of pay policy in local government and the wider public sector. This will ensure that future statements continue to meet the changing business needs and future challenges facing the Council.

8. Human Resource Implications

8.1 The Pay Policy Statement clearly relates to human resource management issues. We have fully considered and planned for these during 2020-21. The application of this statement and its requirements will be applied to staff consistent to the Council's HR policies and procedures and the relevant legislation applicable at the time. There are therefore no additional human resource implications to publishing the Pay Policy Statement itself.

9. Conclusion

9.1 The Pay Policy Statement is required to comply with legislation and also supports our long-standing approach of openness and transparency about pay.

9.2 The Council is fulfilling its obligation by adopting and publishing the Pay Policy Statement 2020-21.

10. Background Papers

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf
Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act Supplementary Guidance
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

11. Appendices

Appendix 1: Pay Policy Statement 2020-21

PAY POLICY STATEMENT
FINANCIAL YEAR 2020-2021

1. Introduction

1.1 In determining pay and remuneration, the Council recognises the need to exercise the greatest care in managing scarce public resources while securing and retaining high quality employees. We believe that the principle of fair pay is important to the provision of well-managed services and are committed to ensuring fairness and equity in our remuneration practices.

1.2 The level of remuneration is a very important factor in both recruitment and retention. We therefore need to balance affordability and value for money with creating a remuneration framework that ensures we can recruit, retain, motivate and develop employees who have the skills and capabilities necessary to ensure the continued provision of high quality services.

1.3 We aim to design our pay policies, processes and procedures to ensure that pay levels are appropriately aligned with, and properly reflect, the relative demands and responsibilities of posts, together with the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard.

2. Purpose

2.1 The aim behind this Pay Policy Statement is to ensure that our approach to pay is transparent, to enable local taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and to make the best use of public funds.

2.2 This policy statement is in accordance with sections 38 to 43 of the Localism Act 2011 (the Act), that requires local authorities to publish an annual pay policy statement for the forthcoming financial year including:

- the remuneration of our most senior employees (which the Act defines as the Head of Paid Service, the Monitoring Officer, Chief Officers, and Deputy Chief Officers, i.e. managers who report directly to a Chief Officer)
- the remuneration of our lowest-paid employees and the relationship between the remuneration of our senior employees and that of other employees.

3. Legislation

3.1 The Secretary of State has produced guidance on the Act's provisions relating to openness and accountability in local pay, to which we must have regard. This statement takes full account of this guidance as well as the provisions of the Act. This includes ensuring that there is an appropriate relationship between the pay levels of our senior managers and of all other employees.

3.2 It also takes account of:

- the Local Government Transparency Code 2015 issued by the Department for Communities and Local Government in February 2015
- Openness and Accountability in Local Pay: Guidance under S40 of Localism Act 2011 issued in February 2012
- Openness and Accountability in Local Pay: Guidance under S40 of Localism Act 2011 Supplementary Guidance issued in February 2013
- guidance issued by the Joint National Council (JNC) for Local Authority Chief Executives on pay policy statements, published in November 2011 and supplementary notes published in January and March 2012
- The Public Sector Exit Payment Regulations 2016 (delayed implementation)
- The Repayment of Public Sector Exit Payments Regulations 2015 (delayed implementation)
- Employment and equalities legislation affecting local authority employers, where relevant.

This statement also refers to information we are already required to publish under other legislation for example the information on the level of remuneration paid to senior managers, as required by The Accounts and Audit Regulations 2015.

4. Overall approach to pay

4.1 In relation to other organisations in all sectors across the UK, we are a large, complex organisation providing a very diverse range of services. Many of these services are vital to the wellbeing of individuals and groups of residents in our local community. These can be delivered in very challenging circumstances, which means the Council must take account of the levels of need and ensure the availability of resources to meet them.

4.2 We compete with other local employers to recruit and retain managers capable of meeting the challenges of delivering our services to the required standards. This has an important bearing on the levels of remuneration we offer. At the same time, as outlined in section 1.2 we are obligated to secure the best value for money for our residents and taxpayers in taking decisions on our pay levels. We believe that we achieve a fair balance between these competing pressures.

4.3 Our overall approach to remuneration for all employees, including senior management is based on:

- compliance with equal pay, discrimination and other relevant employment legislation such as the Equality Act 2010, plus
- ensuring that our overall remuneration packages align with market norms for local government and public sectors while at the same time taking account of:

1. pay levels in the local area, including neighbouring public sector employers
2. the relative cost of living in the local area, particularly housing costs
3. the fact that responsibilities and accountabilities of particular posts may be very demanding
4. individual performance.

4.4 In the application of our pay framework, the council takes into account market rates, individual performance and the need for consistency in the way pay bandings are applied. All pay differentials can be objectively justified using job evaluation mechanisms that directly establish the relative levels of posts in pay bands according to the requirements, demands and responsibilities of the post.

4.5 Our pay rates and grading structure are determined locally.

5. Remuneration of senior management

5.1 This section covers the remuneration of our most senior employees, who are responsible for working with elected councillors to determine the overall strategic direction of the Council. They develop and manage a wide range of services to ensure they are economic, efficient and effective and have appropriate governance arrangements. In the context of this policy, senior management is defined as:

- the Managing Director (who is the designated Head of Paid Service)
- the Council's Monitoring Officer (that is the officer responsible for ensuring the Council's compliance with the law in all its activities)
- first tier officers; our Directors who report to and are directly accountable to the Head of Paid Service
- second tier officers; our officers who are directly accountable to our first tier officers for the management and provision of individual elements of the Council's services.

5.2 In terms of pay differentials, we recognise that the Managing Director leads our workforce and has the greatest level of accountability, and so warrants the highest pay level in the organisation. Our Directors undertake a senior, collective and corporate responsibility for supporting the Managing Director in delivering high quality services to our communities. We have reflected this in the level of remuneration for these roles.

5.3 Below this level, we recognise that the demands on and accountabilities of different management roles vary considerably, and we seek to align pay levels with the relative importance and responsibilities of jobs using the Greater London Provincial Council (GLPC) job evaluation scheme.

5.4 Annual salary levels for our senior management are set in accordance with the overall principles set out in section 4 above. For our Managing Director, Directors and second tier officers, salaries consist of grade ranges that are determined locally. These grade ranges consist of a number of incremental salary points, through which employees may progress, subject to satisfactory performance, until they reach the top of the grade.

5.5 The salary ranges for our senior management posts are summarised in the following table. The pay award for 2020 has not yet been determined and will be implemented on 1 July 2020:

Senior role	Salary range
Managing Director	£127648 - £133709
Director	£85057 - £97731
Second tier officers as defined in para 5.1	£41154 - £76059

5.6 The following paragraphs outline the elements of remuneration that we offer to senior management in addition to those that are available to all our employees as outlined in section 11 of this statement.

Element of remuneration
Deputy Managing Director payment: Our Directors have a shared responsibility to deputise for the Managing Director in his absence. An annual payment of £3260 will be made to each Director to reflect these additional responsibilities.
Acting-up or payment for additional responsibility: Where employees are required to act-up into a higher-graded post or take on additional responsibilities beyond those of their substantive post, for a temporary or time-limited period, they may receive an additional payment in recognition of the extra responsibilities. Before we make any such payment, we will assess whether the additional work entailed is sufficiently demanding to warrant an additional payment. Our policy is to make a payment to those senior management officers for additional responsibilities in respect of statutory roles as follows: Section 151 Officer (Chief Financial Officer) - £5,300 per annum Monitoring Officer - £5,300 per annum Deputy Monitoring Officer - £1,500 per annum Deputy Section 151 Officer - £1,500 per annum Data Protection Officer - £3,000 per annum Senior Information Risk Officer and Senior Authorising Officer for RIPA - £3,000 per annum These payments will not be reduced where there is a requirement for two officers to share the responsibilities of Deputy Monitoring Officer and/or Deputy Section 151 Officer.
Car provision: We offer a subsidised lease car scheme to our senior employees at pay band 9 and above. Below shows the level of subsidy for our senior management for 2020-21: Managing Director £6000 Directors £5652 Head of Service and Band 10 £4579 Band 9 £3325

We insure any vehicle provided, however, the employee is required to pay the excess should any claims be made. If senior management employees do not take up their lease car entitlement and use their own car for travel on Council business, we compensate them in the same way as other employees who are authorised to use their own car on Council business. This is in accordance with the provisions and rates for Essential Users agreed by the National Joint Council for Local Government Services.
Lump sum payments: We pay lump sum allowances to the Managing Director, Directors, Heads of Service and employees on Band 10 level to cover travel, subsistence or other incidental costs. The sum ranges from £524 up to £1780 per annum for employees who have taken up their lease car entitlement, with adjustments made if employees choose to use their own cars as an alternative to taking up their lease car entitlement.
Health Screening We fund biennial health checks for the Managing Director and our Directors.

6. Remuneration of our lowest paid employees

6.1 This section outlines our policy in relation to the remuneration of our lowest-paid employees. We define our lowest paid employees as those paid on the lowest grade, that is Band 1, of the Council's pay and grading structure, currently starting at £18,221 per annum.

6.2 In setting pay levels and determining any pay award, we take into account the needs of our lowest paid employees. For example, we pay a minimum of £5.00 per hour for apprentices rather than the minimum national hourly rate of £4.15.

We also pay above the National Minimum Wage (the Government's minimum rate for under 25's), the National Living Wage (the Government's minimum rate for over 25's) and above the Real Living Wage (for outside London) at the bottom of our pay scale.

7. Pay relationships

7.1 This section sets out our overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation including the Council's current pay multiple. The 'pay multiple' is the ratio between the highest paid salary (the Managing Director) and the median average salary of our workforce.

7.2 The Council's current pay multiple (as at January 2020) is 1:4.87.

7.3 We consider that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

8. Remuneration on appointment and re-employment

8.1 All newly appointed staff normally start on the lowest point in the pay range for their job evaluated post. Successful candidates may be appointed at a higher point, where it is considered that they already possess the skills and experience needed to justify a higher salary.

8.2 In certain circumstances, should a new employee, including senior management need to move house in order to take up an appointment with the Council, we will reimburse their removal, legal and other associated relocation costs. This is in accordance with the Council's Relocation Scheme that sets maximum limits on the levels of payment and requires repayment in part or in full if the employee leaves the Council within five years of appointment. Occasionally the Council may agree a more flexible arrangement if the appointment is on a fixed-term basis.

8.3 The Repayment of Public Sector Exit Payment Regulations are likely to be implemented during 2020. Under these regulations termination payments made to staff on salaries above £80,000 per annum will be fully or partly recovered if those staff are re-employed within the public sector within the 12 months following the date of their termination. This restriction affects the posts of Managing Director and Directors. The Council can agree to waive the recovery payment in exceptional circumstances.

8.4 In the event that we employed a senior manager who is already in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the the Local Government Pension Scheme (Administration) Regulations 2008 must be applied. These currently provide that there will be no abatement of pension in these circumstances.

9. Pay progression and award

9.1 The Council's pay policy is based on a locally determined pay and grading structure that comprise of pay bands with a number of incremental points. An employee's pay progression will normally be one increment (pay spine column point within a band) on 1 July each year, until the top of the grade band is reached. Pay progression is subject to satisfactory performance and behaviours that are assessed as part of the Council's performance review process. There is no scope for accelerated progression beyond one increment per annum or for progression beyond the top of the pay band.

9.2 We review salaries in the light of pay movements for other employees, pay movement elsewhere, and other changes in the economy, to determine whether any general or cost-of-living pay award is necessary or justified.

9.3 Depending on the Council's financial situation, we may agree a cost-of-living increase for all staff from 1 July each year or there may be no increase at all. The Managing Director agreed an award of 2 per cent for all staff in 2019-2020.

9.4 We do not pay any bonuses or non-consolidated performance contribution payments.

10. Payment upon termination of employment

10.1 Senior management who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other employee, based on entitlement within their contract of employment, their general terms and conditions and existing policies.

10.2 Any termination or severance payment we make to any of our employees (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable.

10.3 Statements of policy on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations do not amount to any contractual commitment to individual employees on future severance payments.

10.4 Termination payments made to staff will be capped at £95,000. This figure will include all payments associated with the termination such as payments relating to pension augmentation and pension strain, redundancy payments, pay in lieu of notice, voluntary payments, holiday pay and any other contractual payments. The Council can agree to waive the cap in exceptional circumstances (See paragraph 12.5).

11. Remuneration policies common to all employees

11.1 The following elements of remuneration are determined by corporate policies or arrangements that apply to all permanent staff of the Council (including the Managing Director and Director), regardless of their pay level, status or grading within the Council:

- **Contracts:** Our standard policy is to engage employees on standard contracts of employment and to apply pay-as-you-earn (PAYE) taxation arrangements to all remuneration under those contracts in accordance with HMRC rules, unless there are exceptional circumstances approved by the Managing Director, such as a contract for service which mean that an alternative mode of engagement is appropriate.

- **Engagement of workers through intermediaries:** Where individuals are working for the Council through an intermediary such as their own limited company or a consultancy firm, or an employment agency, and are working in the same way as our own employees, the payer will be liable to pay associated income tax and National Insurance Contributions (NICs). Genuinely self-employed workers will not be covered by this requirement (commonly known as IR35) and will continue to make their own assessment and payment arrangements for income tax and NICs

- **Pension Scheme:** Employees have a right to join the Local Government Pension Scheme (LGPS) in accordance with the statutory provisions of the scheme. The percentage an employee pays is based on individual earnings and ranges from 5.5 per cent to 12.5 per cent of pay. The employer’s contribution rate for all staff that join the scheme is currently 15.1 per cent of salary.

- **Flexible retirement:** The LGPS regulations permit us to offer flexible retirement to all employees aged 55 or over, so that they can reduce their hours of work and/or their level of responsibility, and receive some or all of their pension benefits. We would expect to see a reduction of 40-50 per cent in salary through either reduced hours or responsibility.

11.2 The other elements of remuneration we offer to all our employees, in addition to those already outlined in section 5, are set out in the following table.

Element of remuneration
Overtime or additional hours working: Employees below Band 6 who are required to work beyond the Council's normal full-time equivalent working week of 37 hours or work other non-standard working patterns, as listed below, may receive enhanced payments in accordance with the provisions of our local schemes of conditions of service covering: • overtime or additional hours • weekend working • bank holidays (public and extra statutory holidays). Conditions of service vary across services and any entitlements to enhanced payments are set out in the employee's statement of terms and conditions of employment (the contract).
Market rate supplements: Our job evaluation scheme does not take into account market factors such as market pay rates relating to specific jobs or fluctuating demand for skills in the marketplace. The Council recognises therefore, that there may be occasions where it is necessary to pay a market rate supplement in addition to base salary in order to recruit or retain staff. The Market Rate Supplement Policy ensures a clear and systematic process is followed in considering the potential for a supplement and for identifying the relevant 'market rate' for any specific post, or group of posts. The policy ensures that relevant considerations are taken into account, both initially and at every subsequent two-yearly review and ensures that a consistent approach is applied across the Council with regard to: • the circumstances in which a market rate supplement is considered, • the monetary value of any supplement, and • the duration of the supplement and the review period that will apply.
Standby and/or call-out payments: Employees who are required to be on standby at times which are outside their normal working week or who may be called-out to attend to an

issue at the Council’s premises or other location may receive an additional payment in accordance with the provisions of the relevant Council policy.
Car travel reimbursement: We compensate all our employees who are authorised to use their own car on Council business in accordance with the provisions and rates for Essential and Casual Users agreed by the National Joint Council for Local Government Services.
Payment of professional subscriptions or membership fees: We will pay one professional membership fee or subscription on behalf of employees graded at Band 6 or above, up to and including the Managing Director. Below Band 6, we will pay one professional membership fee or subscription on behalf of employees where it can be shown that the membership or subscription is necessary for the effective performance of the employee in their job. In exceptional circumstances the Council will pay two subscriptions where there is a requirement for one of the subscriptions due to the persons role.
Subsistence or other expenses allowance: We reimburse expenditure on meals (except alcohol) and accommodation, within reasonable set limits, and any other expenses necessarily incurred by all employees on Council business if agreed in advance.
Provision of mobile telephones: Mobile telephones are provided to employees on the basis of business need where they are necessary to enable them to undertake their duties effectively. We fund the cost of business calls only.
Fees for Election duties: Sources of funding for elections in England vary according to the type of election. The Managing Director is the Council’s Returning Officer who has overall responsibility for the conduct of elections and is appointed under the Representation of the People Act 1983. The Ministry of Justice, who set the fees to be paid to the Returning Officer, provides the costs of running UK Parliamentary general elections and European Parliamentary elections. Elections fees are paid for these additional duties and they are paid separately to salary. The costs of parish, borough and county elections are met through local authority budgets and vary according to the size of the electorate and number of postal voters. A scale of fees for Returning Officers, polling station and count staff is set annually in line with the Surrey wide scheme.

Child care: A childcare salary sacrifice scheme is available to those employees who are eligible via the HMRC-approved scheme. We make no direct subsidy towards childcare costs.
Subsidised staff catering facility: All employees currently have access to a subsidised staff restaurant at the Council's Millmead offices.
Staff loans All employees have access to loans that are offered at preferential rates for: • the purchase of cars/bicycles and/or • the purchase of season tickets for the purposes of travel to work.
Private medical insurance: We offer private medical insurance to employees who are employed in posts at Band 6 or above in our pay and grading structure. Premiums are kept to a minimum by regular tendering exercises, and individual employees can pay additional premiums to enhance the basic level of cover which the Council funds.
Other staff discount and benefits schemes: We currently provide all employees access to an employee discount scheme. This offers employees the chance to purchase a range of goods and services at discounted rates from a variety of suppliers. We provide access for all of our employees to an Employee Assistance Programme (EAP). EAPs are intended to help employees deal with personal problems that might adversely impact their work performance, health, and wellbeing. The EAP offers cover for the employee and their immediate family members who reside at the same address, including children in full-time education up to the age of 24. The service provides access to: • Stress helpline • Structured telephone counselling • Referral to face to face counselling • Referral to serious illness and accident support • Tax advice • Legal advice *(the EAP will not provide employment law advice)* • Eldercare • Childcare • Medical information

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12. Decision making on pay

12.1 We recognise the importance of ensuring openness and transparency and high standards of corporate governance, with clear lines of accountability in our pay decision-making processes and procedures. Any pay-related decisions must be capable of public scrutiny, be able to demonstrate proper and appropriate use of public funds and ensure value for money. The arrangements we have in place are designed to reflect these requirements, as well as ensuring compliance with all relevant legislation and other statutory regulation.

12.2 Depending on the economic climate and the Council's current financial situation, we may agree a cost-of-living increase for all staff. The Managing Director in consultation with the Leader agrees the award provided it is within the available budget. The Council agrees any increase for the Managing Director and the Directors.

12.3 The provisions of this Pay Policy Statement will apply to any determination made by the Council in the relevant financial year in relation to the remuneration, or other terms and conditions, of our senior managers and of the lowest paid employees, as defined in this statement. We will properly apply and fully comply with the provisions of this pay policy in making any such determination.

12.4 Any proposal to offer a new senior appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, fees, allowances and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the Council for approval. This will be before any offer is made to a particular candidate.

12.5 Any proposal to make a termination payment of £95,000 or more will be referred to the Council for approval before any offer is confirmed and will only be agreed in exceptional circumstances (See section 10.4) In the event of such a payment being proposed, a detailed breakdown of the components (for example redundancy, pension, pension strain, voluntary payments, outstanding holiday, pay in lieu of notice and any other contractual payments) will be provided for councillors.

13. Review and policy amendment

13.1 We will review the statement annually and approve a new version of the policy before the start of each subsequent financial year. If we choose, or need, to amend the statement during the course of any financial year this will be by resolution of the Council.

14. Publication of and access to information

14.1 As soon as is reasonably practicable following approval by full Council, we will publish this pay policy statement on our website at http://www.guildford.gov.uk/transparencydata Any subsequent amendments to this statement made during the financial year will be similarly published.

14.2 The information required to be published by the Council in accordance with the requirements of The Local Government Transparency Code 2015, and in accordance with the requirements of the Accounts and Audit (England)

Regulations 2015, as referred to in this pay policy statement, is also available on our website.

14.3 We are also required to publish information about the remuneration of senior officers under The Accounts and Audit (England) Regulations 2015. This information is available in the annual accounts, which we publish on our website.

Council Report

Ward(s) affected: All

Report of Director of Resources

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Date: 5 February 2020

Capital and Investment Strategy 2020-21 to 2024-25

Executive Summary

The Capital and Investment strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future sustainability.

Decisions made now, and during the period of the strategy on capital and treasury management will have financial consequences for the Council for many years into the future. This report therefore includes details of the capital programme new bids plus the requirements of the Prudential Code and the investment strategy covering treasury management investments, commercial investments plus the requirements of the Treasury Management Code and the Ministry of Housing, Communities and Local Government (MHCLG) Statutory Guidance.

<u>Capital programme</u>
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.

The Council has a current underlying need to borrow for the general fund capital programme of £360 million, including bids put forward by officers, with a net cost to the Council of £47.8 million.

Some capital receipts or revenue streams may arise as a result of investment 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 report, shows a high-level

position. To ensure the Council demonstrates that its capital expenditure plans are affordable, sustainable and prudent, we set Prudential Indicators that must be monitored each year (shown in **Appendix 1**).

The capital programme includes several significant regeneration schemes, which we have assumed will be financed from General Fund resources. 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 the Executive for approval.

Main areas of expenditure in the capital programme are:

- £5 million - vehicle replacement programme
- £18 million - museum development
- £32.5 million – town centre transport schemes
- £25.4 million – Ash road bridge
- £40.2 million – North Downs Housing
- £26.6 million – Guildford Park CP
- £9 million – Midleton redevelopment
- £59 million – Weyside Urban Village

Appendix 2 contains a summary of the new bids submitted, **Appendices 3 to 7** show the position and profiling of the current capital programme (2019-20 to 2023-24) and **Appendix 8** the capital vision schemes.

Corporate Management Team, the Lead Councillor for Finance and Asset Management, and the Joint Executive Advisory Board Budget Task Group (JEABBTG) have reviewed the bids presented in this report.

This report also includes the Council's Minimum Revenue Provision policy and the Prudential Indicators. The details are in section 5 of this report.

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

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

The budget for investment income in 2020-21 is £1.684 million, based on an average investment portfolio of £79.8 million, at an average rate of 2.18%. The budget for debt interest paid is £5.656 million, of which £5.06 million relates to the HRA.

<u>Non-financial investments and investment strategy</u>
Councils can invest to support public services by lending to or buying shares in other organisations (service investments) or to earn investment income (commercial investments where this is the main purpose). Both are termed non-financial investments (i.e. not treasury management investments).

The Council has £161.244 million of investment property on its balance sheet, generating a return of £9 million and a current yield of 6.3%.

The criteria for purchasing investment property, when originally approved were to achieve a minimum qualitative score and yield an internal rate of return (IRR) of at least 8%. It is now recommended that the IRR is changed to 5.5% due to the change in the market forces and recognition of the move to investing for strategic purposes, for example economic growth and housing and regeneration.

The Council has invested £12.251 million in our housing company – North Downs Housing (NDH). This is via 40% equity to Guildford Holdings Limited (£4.903 million) (who in turn pass the equity to NDH) and 60% loan direct to NDH (£7.348 million) at a rate of base plus 5% (currently 5.75%). The loan is a repayment loan in line with the NDH business.

Due to the specialised nature of treasury management and capital finance, there is a glossary of terms at **Appendix 13.**

At its meeting on 21 January 2020, the Executive also considered the report, including the comments of both the Joint Executive Advisory Board and Corporate Governance and Standards Committee, at their respective meetings held on 9 and 15 January, which are included paragraph 10 of this report. The Executive resolved as follows:

Subject to Council approving the budget on 5 February 2020:

(1) That the following new capital proposals referred to in **Appendix 2** to this report:

- Sutherland Memorial Park ph 1 Calorifier replacement
- Sutherland Memorial Park main pavilion amenity club
- Sutherland Memorial Park cricket pavilion

be added to the General Fund Capital programme approved list and that the relevant officer be authorised to implement the schemes.

(2) That the following new capital proposals referred to in **Appendix 2** to this report:

- Investment property acquisition
- New house
- Energy & c02 reduction in non-HRA properties
- Capital contingency fund

be added to the General Fund Capital programme provisional list and that these schemes, subject to the limits in the Financial Procedure Rules, be subject to a further report to the Executive, before being progressed.

(3) That the following new capital proposals referred to in **Appendix 2** to this report:

- LED lighting
- Car Parks Maintenance Reserve
- Air Source heat pump at Citizens Advice Bureau

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.

(4) That the revenue implications of the new capital schemes referred to in paragraphs (1), (2) and (3) above be implemented in the relevant years stated in the bid.

(5) That the affordability limit for schemes to be funded by borrowing be set as per para 4.32 in **Appendix 1.**

(6) That scheme ref ED38(p) relating to the North Street Development on the provisional capital programme be reduced to £2 million and any further scheme will be subject to a new business case.

The Executive also endorsed the recommendation to Council below:

Recommendation to Council

(1) That the General Fund capital estimates, as shown in **Appendices 3 and 4** (current approved and provisional schemes), as amended to include the bids approved by the Executive above, **Appendix 5** (schemes funded from reserves) and **Appendix 6** (s106 schemes), be approved.

(2) That the Minimum Revenue Provision policy, referred to in section 5 of this report be approved.

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

<u>Reasons for Recommendation:</u>

- To enable the Council to approve the Capital and Investment strategy for 2020-21 to 2024-25
- To enable the Council, at its budget meeting on 5 February 2020, to approve the funding required for the new capital investment proposals

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

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.

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

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 wish or need 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 2019-20 is included in section 5 of this report.

1.5 The Council must have an approved investment strategy, and the implications associated with that detailed in the capital and investment strategy. This includes financial and non-financial assets, for example investment property and commercial activity.

1.6 The requirement to report in accordance with the CIPFA TM Code, and the MHCLG Investment Guidance is incorporated within this 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 Treasury Management Code of Practice ("TM Code"), and specifically the Prudential Code when determining how much it can afford to borrow.

3.2 The objectives of the Prudential Code are to ensure, within a clear framework, capital expenditure plans 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 capital purposes.

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

3.4 We must put aside resources where the Council finances capital expenditure by borrowing (internal or external), to repay that debt in later years. This code is charged to the revenue account annually and is known as Minimum Revenue Provision (MRP). The annual MRP statement for 2020-21 is included in section 5 of this report. There is not an earmarked reserve for MRP, it is represented in the balance sheet as increased cash.

3.5 The Council invests its money for three broad purposes:

- because it has surplus cash as a result of day-to-day activities, for example when income is received in advance of expenditure (treasury management investments)
- to support local public services by lending to or buying shares in other organisations (service investments)
- to earn investment income (commercial investments where this is the main purpose)

3.6 Under the CIPFA TM Code and the MHCLG Investment guidance, we are required to provide details of each of these purposes in the investment strategy.

3.7 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.

3.8 The details of the principles in the Money Markets Code can be found in **Appendix 10**.

4. Capital Expenditure and Financing

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

4.2 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, ensuring the expenditure meets the key objectives of the Council.

4.3 We have adopted good practice guidance as set out in the HM Treasury Green Book for Public Sector business cases in developing bids for funding and eventual business case submission for capital expenditure. This is particularly the case for projects over £1 million.

Current capital programme (appendices 3 to 8)

4.4 A copy of the [1]current capital programme is attached at **Appendices 3 to 8**, together with a schedule of the latest resource availability for, and financing, of the programme.

4.5 The actual financing[2] of each financial years' capital programme is determined in the year in question as part of the preparation of the Council's statutory accounts preparation.

4.6 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.

4.7 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.

4.8 Officers calculate the interest estimates (both investment and borrowing interest) according to planned capital expenditure. We assume around actual expenditure of 50% of the provisional programme in the financial year. This also feeds into the MRP calculations, and the liability benchmark, to ensure we are not being over prudent in our budgeting.

New capital schemes

4.9 Service managers bid annually in September to include projects in the Council's capital programme, to be reviewed against corporate plan priorities and fundamental themes whilst having regard to our underlying need to borrow for the current capital programme and the implications for the revenue account.

4.10 Bids are reviewed by CMT, and the JEABBTG from a councillor perspective. Any comments from that group are detailed later in the report.

4.11 Bids are initially placed on the provisional capital programme. All bids are then subject to a further outline business case and further approval before expenditure can be incurred on the project.

4.12 A summary of the new bids can be found in **Appendix 2**.

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[1] The revised estimates for 2019-20 is the original estimate approved by Council in February 2018, plus any unspent approved expenditure from 2018-19, now planned for 2019-20, plus any amendments or additions to schemes approved during the financial year.

[2] Some of the schemes are funded from earmarked reserves (reserves put aside for a specific reason), and grants and contributions, for example ICT and Car Parks maintenance reserve, and s106 contributions

4.13 The Council has a current underlying need to borrow for the general fund capital programme of £360 million, including bids put forward by officers, with a net cost to the Council of £47.8 million.

4.14 For planning purposes, we have currently assumed we will borrow internally for all schemes, but in doing so we are projecting a need to borrow externally.

4.15 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 resources available.

4.16 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 developed, and when they may be progressed.

Prudential Indicators

4.17 The Local Government Act 2003 requires the Council to have regard to the Prudential Code when determining how much it can afford to borrow. The objectives of the Prudential Code are:

- the 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

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

4.19 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 bids to the JEABBTG, this report to the Corporate Governance and Standards Committee, the Executive and full Council, enabling a broad range of Councillor scrutiny. Monitoring is undertaken regularly by the Corporate Governance and Standards Committee.

4.20 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.

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

Estimates of capital expenditure

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

4.23 The HRA is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised by, other local services. HRA expenditure and financing is therefore recorded separately.

4.24 All capital expenditure must be financed either from external sources (e.g. grants and contributions), the Council's own resources (revenue, reserves or capital receipts), or debt (borrowing or leasing). Planned financing is shown in the table below.

CAPITAL EXPENDITURE SUMMARY	2019-20 Approved £000	2019-20 Outturn £000	2019-20 Variance £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
General Fund Capital Expenditure								
- Main Programme	62,504	59,875	(2,629)	41,568	14,282	5,825	5,825	5,825
- Provisional schemes	17,476	2,262	(15,214)	102,867	64,072	87,335	5,162	0
- Schemes funded by reserves	6,769	6,730	(39)	3,365	1,500	500	0	0
- S106 Projects	36	150	114	0	0	0	0	0
Total Expenditure	**86,785**	**69,017**	**(17,768)**	**147,800**	**79,854**	**93,660**	**10,987**	**5,825**
Financed by :								
Capital Receipts	0	(2,031)	(2,031)	0	(4,000)	(11,200)	(10,987)	(5,825)
Capital Grants/Contributions	(19,681)	(7,554)	12,127	(41,368)	(7,550)	(5,500)	0	0
Capital Reserves/Revenue	(20,509)	(16,486)	4,023	(3,585)	(1,720)	(720)	0	0
Borrowing	(46,595)	(42,946)	3,649	(102,847)	(66,584)	(76,240)	0	0
Financing - Totals	**(86,785)**	**(69,017)**	**17,768**	**(147,800)**	**(79,854)**	**(93,660)**	**(10,987)**	**(5,825)**
Housing Revenue Account Capital Expenditure								
- Main Programme	8,567	11,739	3,172	5,758	5,525	4,025	4,075	1,400
- Provisional schemes	406	1,106	700	18,032	24,637	11,167	9,575	5,575
Total Expenditure	**8,973**	**12,845**	**3,872**	**23,790**	**30,162**	**15,192**	**13,650**	**6,975**
Financed by :								
- Capital Receipts	(1,404)	(2,240)	(836)	(5,745)	(7,656)	(3,165)	(400)	(700)
- Capital Reserves/Revenue	(7,569)	(10,605)	(3,037)	(8,046)	(12,506)	(2,027)	(3,250)	3,725
- Borrowing	0	0	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Financing - Totals	**(8,973)**	**(12,845)**	**(3,872)**	**(23,790)**	**(30,162)**	**(15,192)**	**(13,650)**	**(6,975)**

4.25 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).

4.26 The table above shows most of our capital expenditure will be financed from borrowing due to the availability of capital receipts and reserves.

Estimates of CFR and Gross Debt as shown against the CFR

4.27 The CFR is the cumulative balance of unfinanced capital expenditure ("debt") less provision made for repayment of the debt, known as Minimum Revenue Provision (MRP).

4.28 Debt is only a temporary source of finance (since loans and leases must be repaid), and this is, therefore, replaced over time by other financing, usually from revenue, via MRP. The Council's MRP statement is in section 5 of this report. We can also make a voluntary revenue provision if we wish.

4.29 The Council is required to make reasonable estimates of the total CFR over at least the forthcoming year and the following two years.

4.30 Any estimated capital expenditure in para 4.24 which is shown to be funded from borrowing increases the CFR.

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

Guildford BC Balance Sheet Summary and Projections in £'000 - last updated 27 Nov 2019							
31st March:	2019	2020	2021	2022	2023	2024	2025
Loans Capital Financing Req.	294,706	337,488	424,133	500,960	598,660	676,771	776,585
Less: External Borrowing	(212,702)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
Internal (Over) Borrowing	**82,004**	**144,823**	**231,698**	**353,525**	**451,225**	**539,336**	**649,150**
Less: Usable Reserves	(164,974)	(168,628)	(176,489)	(186,701)	(199,100)	(213,116)	(227,032)
Less: Working Capital Surplus	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
(Investments) / New Borrowing	**(95,331)**	**(36,166)**	**42,848**	**154,463**	**239,764**	**313,859**	**409,634**
Net Borrowing Requirement	117,371	156,499	235,283	301,898	387,199	451,294	537,069
Preferred Year-end Position	45,000	45,000	45,000	45,000	45,000	45,000	45,450
Liability Benchmark (year-end)	**162,371**	**201,499**	**280,283**	**346,898**	**432,199**	**496,294**	**582,519**
Peak to Trough Cash Flow	(7,388)	(7,462)	(7,536)	(7,612)	(7,688)	(7,765)	(7,842)
Liability Benchmark (mid-year)	**154,983**	**194,038**	**272,747**	**339,286**	**424,511**	**488,530**	**574,677**

Housing Revenue Account - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
HRA Loans CFR	197,024	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(116,224)	(119,420)	(127,510)	(137,593)	(151,112)	(165,935)	(179,818)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
HRA Cash Balance	**(112,095)**	**(105,061)**	**(102,921)**	**(58,004)**	**(61,523)**	**(66,346)**	**(70,229)**

General Fund - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
GF Loans CFR	97,682	130,464	207,109	273,936	361,636	439,747	539,561
GF Reserves	(48,750)	(49,208)	(48,979)	(49,108)	(47,988)	(47,181)	(47,214)
GF Working Capital	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
GF Borrowing	(19,807)	0	0	0	0	0	0
GF Cash Balance	**16,764**	**68,895**	**145,769**	**212,467**	**301,287**	**380,205**	**479,863**

4.32 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes cash and investment balances are kept to a minimum level at the end of each year. Our minimum level has been set at £45 million.

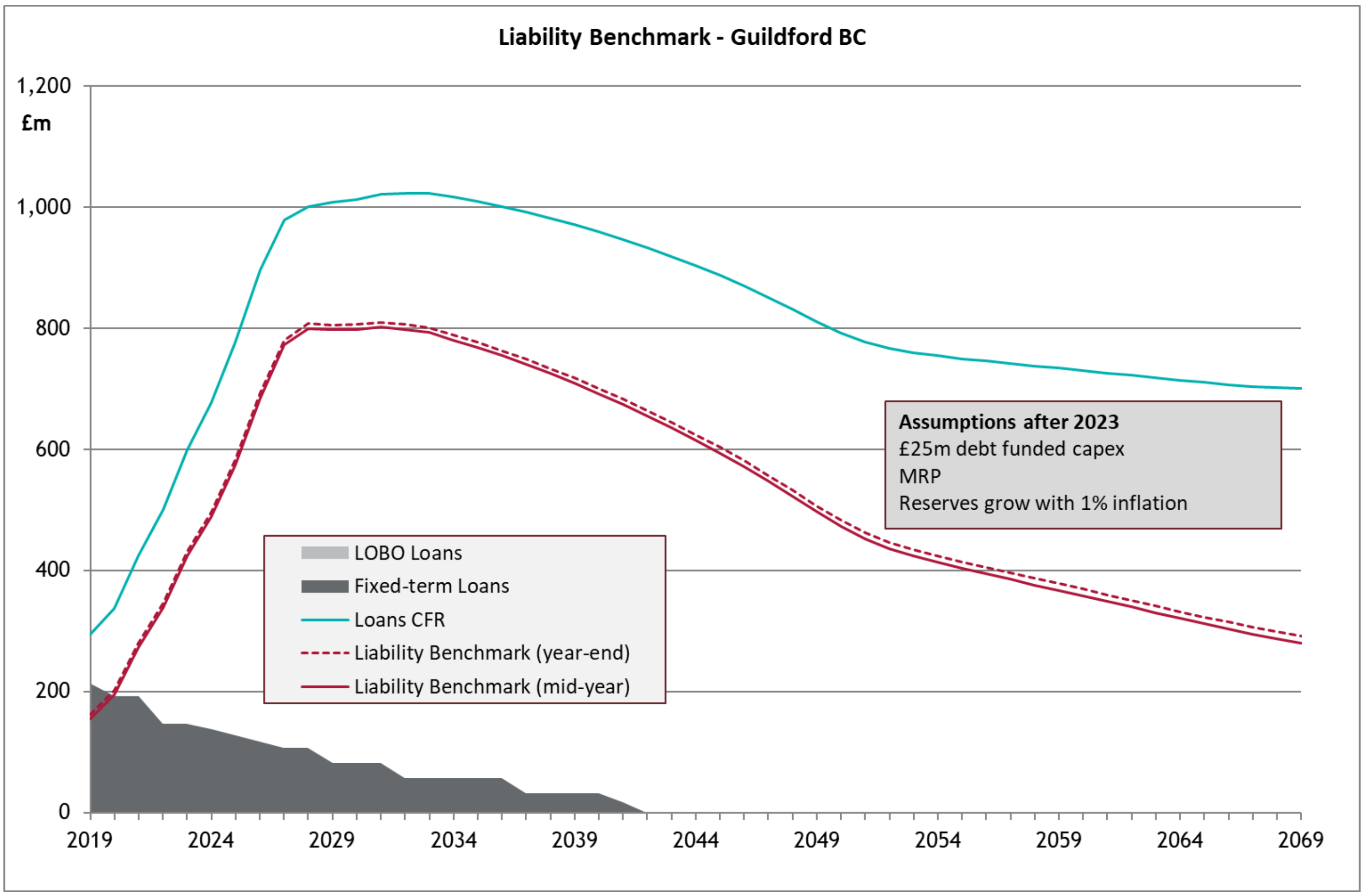
4.33 The GF CFR is forecast to increase by £409 million over the period, as capital expenditure financed by borrowing is greater than resources put aside for debt repayment.

4.34 The HRA CFR is also forecast to rise and the Council undertakes its house building programme funded by borrowing.

4.35 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 debt is only for a capital purpose.

4.36 The table above shows that debt is expected to remain below the CFR during the period shown.

4.37 The liability benchmark is also shown below in a graphical format:



4.38 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 and authorised limit for external debt

4.39 The Council is legally required to set an annual affordable borrowing limit. This is the maximum the Council can borrow. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach that limit.

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

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

Operational Boundary of External Debt	2019-20 Approved £000	2019-20 Revised £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
Borrowing - General Fund	170,826	132,916	234,166	303,386	399,686	507,776	605,856
Borrowing - HRA	207,024	207,024	217,024	227,024	237,024	237,024	237,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	**403,850**	**365,940**	**477,190**	**556,410**	**662,710**	**770,800**	**868,880**

4.42 The authorised limit gives headroom for significant cash-flow movements. We are required to set a limit for other long-term liabilities, for example finance leases. We have included £26 million for items that can be classed as a finance lease, particularly with the introduction of IFRS16[3] in April 2020.

Authorised Limit for External Debt	2019-20 Approved £000	2019-20 Revised £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
Borrowing - General Fund	230,326	189,616	288,066	362,086	463,486	578,176	682,956
Borrowing - HRA	207,024	207,024	217,024	227,024	237,024	237,024	237,024
Other Long Term Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	**463,350**	**422,640**	**531,090**	**615,110**	**726,510**	**841,200**	**945,980**

4.43 Officers monitor the Council's debt level against the authorised limit on a daily basis against all items on the balance sheet (long and short-term borrowing overdrawn bank balances and long-term liabilities).

Ratio of financing costs to net revenue stream

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

4.45 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged, offset by any investment income receivable. The net annual charge is known as financing costs and is compared

[3] New lease standard which reclassifies all leases, subject to certain minimum criteria, for lessees as a finance lease, and therefore on-balance sheet. Operating leases will no longer exist for lessees.

to the net revenue stream (i.e. the amount funded from Council Tax, Business Rates, and general government grants, and also for the HRA its income).

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

4.47 If there are negative figures, it means the interest receivable is higher than interest payable.

4.48 The table shows the financing costs as a % of net revenue stream

	2019-20 Approved	2019-20 Outturn	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
General Fund	6.47%	0.60%	8.07%	24.80%	33.03%	61.78%	67.70%
HRA	30.13%	31.46%	31.03%	31.29%	30.37%	30.35%	31.45%

4.49 The GF outturn 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. The 2020-21 estimate is higher than 2019-20 outturn because of the increasing MRP and reducing cash balances. The large increase from 2021-22 relates to an increase in the MRP budget and a large increase in interest payable as external loans are taken out – a direct result of increasing capital expenditure.

4.50 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.

5. Minimum Revenue Provision (MRP)

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

5.2 The Local Government Act 2003 requires local authorities to have regard to the MHCLG's Guidance on MRP, most recently revised in 2018.

5.3 The Guidance aims to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

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

5.5 MRP becomes chargeable in the financial year after the expenditure is incurred or if a scheme is not complete when the asset becomes operational.

5.6 Based on the Council's estimate of its CFR on 31 March 2020, and unfinanced capital expenditure in 2019-20 of £44 million, the budget for MRP for 2020-21 and future years is:

2020-21	£1.639 million
2021-22	£2.121 million
2022-23	£2.998 million

5.7 Profiling of capital expenditure is key in determining the impact of MRP on the revenue account.

MRP Policy

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

5.9 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.

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

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

5.12 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.

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

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

5.15 Generally, the asset life for MRP will be matched to the life used for depreciation purposes. Estimated life periods will be determined under delegated powers to the Chief Finance Officer.

6. Treasury Management

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

6.2 The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

6.3 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance (s151 officer) and staff, as per the Treasury Management Practices (TMPs), who must act in line with the treasury management strategy approved by Council in February each year. Treasury management activity is presented to the Corporate Governance and Standards Committee as part of the Council's financial monitoring report throughout the year. Corporate Governance and Standards Committee is responsible for scrutinising treasury management decisions.

6.4 The Council currently has £193 million long-term borrowing which is all related to the HRA at an average rate of 3.20% and a cost of £5.09 million in interest. Short term borrowing, falling on the general fund, is expected to cost £0.3 million at an average rate of 0.85%. The Council's average investment portfolio is £105 million at an average rate of 1.73%, generating £1.9 million of interest.

Borrowing strategy

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

6.6 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Liability benchmark in paragraphs 4.31 to 4.38 show that we are meeting the statutory guidance.

6.7 The detailed borrowing strategy can be found in **Appendix 1** section 5.

Investment strategy

6.8 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

6.9 The contribution that treasury management investments make to the objectives of the Council is to support effective treasury management activities. Interest receipts of the council are budgeted to be £1.68 million in 2020-21.

6.10 The Council's policy on treasury management is to prioritise security over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks to minimise the risk of loss. Money that will be held for longer-terms is invested more widely, including bonds, shares and property to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external manager makes decisions on which investments to buy and the Council may request its money back at short notice.

6.11 The detailed investment strategy can be found in **Appendix 1** section 5.

7. Asset management / non-financial investments

Property asset management

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

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

Investments for service purposes

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

7.3 Opportunities on service investments are initiated by the relevant service leader and any decisions are made by the Director of Finance. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

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

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

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

Other non-treasury investments

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

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

7.9 Investment property is valued at £161.244 million as per the 2018-19 Statement of Accounts, with rent receipts of £8.9 million.

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

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

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

7.13 Performance is also reviewed regularly throughout the year and an investment fund portfolio report submitted annually to the Property Review Group.

7.14 In accordance with the Council's Constitution, the Director of Community Services is authorised to acquire investment property up to £1 million in consultation with the Lead Councillor, where budget provision exists in the approved general fund capital programme. Investment property acquisitions must be in consultation with the Chief Finance Officer in line with the criteria set out in the asset investment strategy. Where there isn't an approved budget in the capital programme, committee approval will be sought in line with the financial regulations.

7.15 A bid has been submitted which a fund of £40 million be set up to invest in property in order to increase the rental income stream for the Council and to stimulate and encourage business growth and sustainable development by investing in key strategic sites. To enable this, officers have also proposed a new property investment strategy.

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

7.17 We will also consider new opportunities as they arise. For example, the Council recognises that another major industrial site is coming to the end of its physical life where our tenants want to reinvest. The Council will support redevelopment plans by tenants to improve their sites and the estate, which again may instigate capital investment by the Council alongside income generation. We also set aside proceeds from investment property sales that are not performing, to allow us to purchase new property within the Borough.

Liabilities

7.18 On the face of the Council's balance sheet, there is £90.217 million of other long-term liabilities which relates to the pension fund liability.

7.19 The Council is committed to making future payments to cover its share of the pension fund deficit - valued at £3.3 million as per the 2019-20 statement of accounts.

7.20 We have also set aside £2.8 million to cover risks of Business Rates appeals plus other smaller provisions. We have not allowed for any financial guarantees but have identified one relating to the Electric Theatre.

7.21 The Council is also at risk of having to pay for levies relating to our liability for asbestos but has not put aside money into a provision because it is not yet certain. Details can be found in the 2018-19 Statement of Accounts.

7.22 Decisions on incurring new discretional liabilities are taken by the relevant service leader and the Director of Finance.

7.23 A new accounting standard, IFRS16 – accounting for leases, comes into effect from 1 April 2020. The key change is that accounting for lessees (ie leasing in assets) will change, and there will no longer be a distinction between finance and operating leases. The Council is currently working though the implications, but it will mean an increase in the assets and liabilities of our balance sheet.

Proportionality

7.24 Due to the level of non-financial investments, the Council has identified the proportion of income from these types of investments against gross service expenditure.

	2018-19 Actual £000	2019-20 Outturn £000	2020-21 Budget £000	2021-22 Budget £000	2022-23 Budget £000	2023-24 Budget
Gross Service Expenditure	111,763	113,426	111,923	103,101	104,447	105,863
Investment property income	8,903	9,052	7,665	7,664	7,692	7,692
Treasury management income	1,985	1,920	1,685	1,547	1,564	1,797
Investment income %	10%	10%	8%	9%	9%	9%

7.25 The table shows that the income from both investment property and treasury management income ("investment income") contributes around 8% to 10% to the gross cost of services across the Council.

8. Knowledge and skills

8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance and Financial Services Manager (s151 and Deputy s151 respectively) are both qualified accountants with many years' post qualification experience. The Deputy Head of Asset Management is a qualified chartered surveyor and member of the Royal Institution of Chartered Surveyors (RICS) as are members of the Asset

Management team. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), and RICS.

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

8.3 Under the new MiFID regulations, 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.

9. Risks

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

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

9.3 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.

9.4 Slippage in the capital programme could also mean costs are higher than originally budget because of price inflation and changing market conditions. To help mitigate this, the Council has a capital contingency fund budget of £5 million each year acting as an additional budget included in the borrowing calculations across the programme as a whole. Each scheme also has contingencies built into the individual budgets.

Treasury management risks

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

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

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

9.8 Inflation is also a key factor. Investments are made and earn a return. If inflation is high, and investment returns are low, the investment return is not keeping up with inflation and the Council is, therefore, losing money.

9.9 Risk indicators relating to treasury management are in Appendix 1 section 7.

Risks relating to non-financial assets

9.10 There are some key identifiable risks of investing in property.

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

9.12 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 receipts for other purposes.

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

10. Consultations

10.1 The Lead Councillor for Finance and Asset Management supports the recommendations in this report.

10.2 The new capital bids have been reviewed by the JEABBTG.

10.3 The Joint EAB was invited to consider this report at its meeting on 9 January 2020 and comment on the recommendations to the Executive and to full Council at the budget meeting.

10.4 In considering the new capital bids, the Joint EAB commented as follows:

1. <u>Sutherland Memorial Park - Phase 1 Calorifier (Water Heater) Replacement</u>
   The Board indicated its support for this bid without further comment.

2. <u>Sutherland Memorial Park Main Pavilion Amenity Club - Refurbishment Works</u>
   This bid was accepted by the Board without comment.

3. <u>Sutherland Memorial Park Cricket Pavilion - Internal Alteration and Refurbishment</u>
   A member of the Joint EAB Budget Task Group advised that the Group's queries relating to this bid had been answered and a revised bid had been submitted.

4. <u>Property Acquisition Fund</u>
   This bid had been adjusted to reflect the Investment Property Fund Management Group's consideration of the Council's policies in terms of climate change and ethical investments and to address related issues. Additional priority would be given to investments with "green" credentials.

5. <u>Phase 4 Public Realm Scheme</u>
   This bid had been withdrawn

6. <u>New House – Refurbishment of Office Space</u>
   The Board noted that this project had attracted rental income of £1.1 million.

7. <u>Climate Change & Energy Project Funding – Consolidated Bid</u>
   The Board supported this bid which sought a budget to fund Climate Change and Energy related projects. The bid was at an early stage and related priorities and projects and would be developed. Measuring of current emissions was currently taking place to inform future work.

8. <u>Installation of LED lighting to various community sites</u>
   This bid was supported by the Board without comment.

9. <u>Multi-storey Car Park Repairs and Maintenance</u>
   The Board was advised that this was a regular car park maintenance bid.

10. <u>Installation of Air Source Heat Pump Heating and Hot Water System to the Citizens Advice Bureau</u>
    As there were two Citizens Advice Bureaux (CAB) in the Borough, a councillor requested that this bid identify which CAB it related to. A member of the Joint EAB Budget Task Group requested that the Group receive more detailed information relating to bids at an earlier stage in future years to facilitate consideration.

    The following additional points were made in relation to the report:

    - The expansion and improvement of the Aldershot Road allotment site involved inclusion of allotments from the Bellfields site in connection with the Weyside Urban Village development.
    - Checks would be made to ascertain whether the Mill Lane, Pirbright, Flood Protection Scheme had been abandoned.

- The estimate associated with Pre-SANG costs of bringing forward sites was generic and had been in the budget for a number of years. Officers would be asked if this capital programme item was still required.
- The need for an estimate in respect of the removal of barns and concrete hardstanding from land at Tyting Farm was questioned and would be checked.
- The estimate relating to the replacement of the Spectrum roof was an old bid and the works were in the latter phases and nearing completion.
- The difference between the mid-year and year end Liability Benchmarks was the Council's minimum liquidity requirement of £45 million. The Liability Benchmark was reducing in line with assumed increases in reserves and payments. The mid-year position showed greater liquidity than the year end level.

The Joint EAB indicated its support and commended the recommendations in the report to the Executive and Council.

10.5 At its meeting on 15 January 2020, the Corporate Governance & Standards Committee, in commending the Capital and Investment Strategy report to the Executive, made the following comments or sought clarification on the following matters:

- The internal rate of return specifically related to investment property for which there was a separate strategy. When the original strategy was set, borrowing rates were much higher. The 5.5% represented debt repayment which would enable the Council to cover its debt costs if it were to purchase investment properties.

- In relation to the liability benchmark, it was noted that there were currently no LOBO loans and the Council was not intending to enter into such loans.

- In response to a question as to whether the Council would consider making investments outside of the borough, the Chief Finance Officer confirmed that, although other councils had done this and that the proposal had been considered, Government guidance discouraged such investment and the Council had not committed to do this and she would not recommend it. Some authorities had proposed investing within the area covered by their Local Enterprise Partnership boundary.

- In response to a request for an indication of the size of borrowing compared to the annual Council budget, the Chief Finance Officer confirmed that there was not an indicator that showed the total amount of borrowing compared to the revenue stream. However, table 4.48 in the report showed the ratio of the financing costs as a percentage of the net revenue stream. This ratio looked at the burden that the borrowing costs had placed on either the General Fund or the HRA. The overall borrowing amount on its own was not such a useful indicator unless it was compared, for example, to the asset base.

- The Committee noted that the current review of the Council's corporate priorities and corporate plan would have some implications for the capital and investment strategy.

11. Financial Implications

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

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

11.3 The budget for treasury management investment income in 2020-21 is £1.68 million, based on an average investment portfolio of £78.9 million, at a weighted average rate of 2.18%. The budget for debt interest paid is £5.65 million, of which £5.058 million relates to the HRA. If actual levels of investments and borrowing, and actual interest rates differ from that forecast, performance against budget will be correspondingly different.

11.4 Income from investment property is estimated to be £7.664 million in 2020-21.

11.5 The MRP budget is £1.639 million in 2020-21

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

Risk indicators

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

Total risk exposure

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

Total Investment Exposure	**2018-19 Actual £000**	**2019-20 Forecast £000**	**2020-21 Forecast £000**
Treasury management investments	95,628	105,165	78,906
Service investments: Loans	4,619	8,998	13,498
Service investments: Shares	3,183	6,103	9,103
Investment property	161,244	148,244	148,244
Total Investments	**264,674**	**268,510**	**249,751**

How investments are funded

11.9 Government guidance is that we should show how these investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

11.10 The Council is not expected to borrow externally for any of the investment exposure in the table at para 14.6, within this timeframe. The only exception in the medium term could be the service investments in shares (Guildford Holdings) and loans (North Downs Housing).

Rate of return achieved

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

Investments net rate of return	**2018-19 Actual £000**	**2019-20 Forecast £000**	**2020-21 Forecast £000**
Treasury management investments	1.38%	1.42%	1.14%
Service investments: Loans	5.75%	5.75%	5.75%
Service investments: Shares	0.00%	0.00%	0.00%
Investment property	6.30%	5.50%	5.50%

11.12 Further indicators can be seen in **Appendix 1**, section 3.

12. Legal Implications

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

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

- under the terms of the Act, the Government 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

13. Human Resource Implications

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

14. Equality and Diversity Implications

14.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report

15. Climate Change/Sustainability Implications

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

16. Summary of Options

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

16.2 The MHCLG 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 the strategy represents an appropriate balance between risk and cost effectiveness. Some alternative strategies and risk management implications are:

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

Alternative	Impact on income / expenditure	Impact on risk management
long-term fixed rates		by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is unlikely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

17. Conclusion

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

17.2 If all schemes proceed within the timescales indicated, there will be an underlying need to borrow of £338 million by 31 March 2025.

17.3 The information in this report, and the Appendices, shows the Council has adopted the principles of best practice and complied with the relevant statute, guidance and accounting standards.

18. Background Papers

None

19. Appendices

Appendix 1: Detailed capital and investment strategy
Appendix 2: Schedule of new GF capital bids for 2020-21 to 2024-25
Appendix 3: Schedule of approved GF capital programme
Appendix 4: Schedule of provisional GF capital programme
Appendix 5: Schedule of reserves funded capital schemes
Appendix 6: Schedule of s106 funded schemes
Appendix 7: Summary of resources and financial implications
Appendix 8: Capital vision
Appendix 9: Treasury Management Policy Statement
Appendix 10: Money Market Code Principles
Appendix 11: Arlingclose Economic and Interest Rate Forecast November 2019
Appendix 12: Credit rating equivalents and definitions
Appendix 13: Glossary

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Capital, Treasury and Investment Strategy - detail

1. Introduction

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

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

1.3 Capital expenditure is defined as:

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

1.4 Capital planning is about investment in assets and is, therefore, linked to asset planning. Council assets have been acquired using public money, so they have an obligation to protect the value of those assets. Failure to do this means assets will gradually deteriorate and in the long-term this puts the Council's ability to fulfil its basic responsibilities at risk.

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

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

1.7 The CIPFA definition of treasury management is:

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

1.8 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.

1.9 MHCLG requires authorities to prepare an investment strategy, which comprises both treasury and non-treasury investments.

1.10 An authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (treasury management investments)

- to support local public services by lending to or buying shares in other organisations (service investments)
- to earn investment income (commercial investments where this is the main purpose)

1.11 The Local Government Act 2003, require Local Authorities to have regard to the Prudential Code. The Prudential Code, last 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 the approval and monitoring of capital expenditure
- a long-term view of capital expenditure plans
- an overview of asset management planning
- any restrictions around borrowing or funding of ongoing capital finance

Debt and borrowing and treasury management

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

Commercial activity

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

Other long-term liabilities

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

Knowledge and skills

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

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

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

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

2. External Context

Economic Background

2.1 The UK's progress negotiating its exit from the EU, together with its future trading arrangements, will continue to be a major influence on the Council's treasury management strategy for 2020-21. The General Election has removed some uncertainty within the market, although there is still uncertainty around future trading relationships with the EU.

2.2 UK Consumer Price Inflation (CPI) for November is 1.5% year on year. The ILO unemployment rate continues to hold at historic lows at 3.8%. The headline 3-month average annual growth rate for pay was 3.5% in November providing some evidence that a shortage of labour is supporting wages. In real terms, after adjusting for inflation, pay growth increased 0.9% in October 2019.

2.3 GDP growth rose by 0.4% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.1% from 1.2%. Services and construction added positively to growth, by 0.5%, 1.2% and 0.4% respectively, while agriculture recorded a fall of 0.1%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

2.4 The Bank of England maintained Bank Rate to 0.75% in November 2019 following a 7-2 vote by the Monetary Policy Committee (MPC). Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

2.5 In the US, the Federal Reserve began easing monetary policy again in 2019. It cut its rates three times to 1.50%-1.75% to stimulate growth as US GDP growth started to fall (to 2.1%).

2.6 The fallout from the US-Chine trade war continues and risks contributing to a slowdown in global economic activity.

Credit outlook

2.7 The recent Band of England stress tests assessed all seven UK banking groups. The tests include deep simultaneous recessions in the UK and global economies that are more severe than the global financial crisis, combined with large falls in asset prices and a separate stress of misconduct costs. All seven banks passed the test on CET1 ration and leverage ratio basis. However, the tests are 11 months out of date when published, being based on end-2018 balance sheets. They also ignore the restrictions on transferring capital between ringfened (retail) banks and non-ringfened (investment) banks within their groups. The Bank of England have also announced they will add Virgin Money /Clydesdale to the testing group and separate tests will be included of ringfenced banks to enhance the metrics.

2.8 Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

2.9 Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020-21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast

2.10 Arlingclose forecast the bank rate will remain at 0.75% until the end of 2022. The risks of this forecast is weighted to the downside.

2.11 The MPC has said it is unlikely to raise rates, even if Brexit deal is agreed.

2.12 Gilt yields have risen but remain at low levels, and Arlingclose are forecasting a very modest upward movement from current levels. The central case forecast is for 10- and 20-year gilts to rise by 1% and 1.4% respectively, however volatility in the short term is expected.

3. Balance sheet and treasury position

Balance Sheet

3.1 The Council has a strong asset backed balance sheet

Item	Balance at 31 Mar 18 £000	£000		Balance at 31 Mar 19 £000	£000	
Long-term Assets	893,702			937,854		
Short-term assets	27,189			36,107		
		920,891	88%		973,961	92%
Long-term investments	34,335			45,100		
Short-term investments	94,075			42,508		
		128,410	12%		87,608	8%
Total assets		**1,049,301**			**1,061,569**	
Current liabilities	(29,796)			(37,975)		
Long-term liabilities	(90,217)			(115,983)		
		(120,013)	33%		(153,958)	42%
Short-term borrowing	(48,965)			(20,337)		
Long-term borrowing	(192,895)			(192,665)		
		(241,860)	67%		(213,002)	58%
Total liabilities		**(361,873)**			**(366,960)**	
Net assets		**687,428**			**694,609**	

3.2 The summary balance sheet shows that cash investments make up only 8% of the Council's assets. Investment property makes up 17% of the long-term assets (being £161.244 million). The largest proportion of our liabilities is long-term borrowing, which is all HRA debt.

Financial Stability/Sustainability

3.3 Gearing is a measure of financial leverage, demonstrating the degree to which activities are funded by our own money or by debt. The higher the leverage, the 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.

	2018-19 Actual (£000)	2019-20 Estimate (£000)	2019-20 Outturn (£000)	2020-21 Estimate (£000)	2021-22 Estimate (£000)	2022-23 Estimate (£000)	2023-24 Estimate (£000)
Total debts	366,960	413,555	408,174	513,197	575,236	651,476	651,476
Total assets	1,061,569	1,157,327	1,145,799	1,319,566	1,425,037	1,533,889	1,558,526
Debt Ratio %	35%	36%	36%	39%	40%	42%	42%

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

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

Local indicators

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

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

3.7 Suggested MHCLG local indicators are:

Indicator	Description
Debt to net service expenditure (NSE) ratio	Gross debt as a percentage of net service expenditure
Commercial income to NSE ratio	Dependence on non-fees and charges income to deliver core services. Fees and Charges are to be netted off gross service expenditure to calculate the NSE
Investment cover ratio	The total net income from property investments, compared to the interest expense
Loan to value ratio	The amount of debt compared to the total asset value
Target income returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties
Benchmarking of returns	As a measure against other investments and against other Councils' property portfolios
Gross and net income	The income received from the investment portfolio at a gross level and net level (less costs) over time

Indicator	Description
Operating costs	The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-investments expands
Vacancy levels and tenant exposures for non-financial investments	Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is as productive as possible

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

Treasury position

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

	March 19 Actual £'000	**Nov 19 position £'000**
Investments		
Managed in-house		
Call Accounts	0	0
Notice Accounts - UK	8,000	8,000
Money Market Funds	13,229	17,332
Temporary Fixed Deposits	6,000	15,000
Long term Fixed Deposits	27,500	27,500
Certificates of Deposit	0	0
Unsecured bonds	2,300	0
Covered Bonds	18,850	15,850
Revolving credit facility	7,500	5,000
Total investments managed in-house	**83,379**	**88,682**
Pooled Funds		
Total pooled funds investments	**11,829**	**16,214**
Total Investments	**95,209**	**104,896**
Borrowing		
Temporary borrowing	20,000	45,000
Long-term borrowing (PWLB)	193,010	193,010
Long-term borrowing (LAs)	0	0
Total borrowing	**213,010**	**238,010**
Net investments / (borrowing)	**(117,801)**	**(133,114)**

3.10 The table shows the position at the start of the financial year (included in the balance sheet), and the position at the end of November 2019 (the latest position).

3.11 Investment balances are slightly higher lower, due to more temporary borrowing. The net borrowing position has increased since March 2019 by £15.5 million because there is a net increase in external borrowing as a result of expenditure on the capital programme.

4. Capital expenditure

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

4.2 The Council has an ambitious Corporate Plan and medium to long-term aspirations within the Borough. There is, therefore, a number of processes in place to ensure the capital programme is approved and monitored for good governance.

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

- Capital vision
- Approved programme
- Provisional programme
- Reserves funded programme
- S106 funded programme

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

a) development for financial reasons - those schemes that are for economic growth, regeneration, redevelopment and income generation purposes, including housing schemes
b) development for non-financial reasons - those schemes that are for economic growth, regeneration, redevelopment, including housing schemes and infrastructure and
c) non-development essential schemes (i.e. those that must be done to keep our fixed assets in an acceptable condition) - those schemes that need to be undertaken for statutory/compliance reasons, are required to maintain service provision at existing levels (or prevent cost escalation) or are infrastructure schemes

4.5 Type (a) '<u>development schemes for financial reasons</u>' are required to provide a positive or neutral impact on the Councils' GF 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 GF revenue account.

4.6 Type (b) '<u>development schemes for non-financial reasons</u>' are required to provide regeneration in the borough to support economic growth in the borough.

4.7 Type (c) '<u>essential schemes</u>' 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.

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

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

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

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

4.12 Under the financial regulations, schemes that are fully funded 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 Financial Services Manager.

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

4.14 The capital programme is also reviewed by CMT and Corporate Governance and Standards Committee (CGSC) as part of the regular financial monitoring for months 2, 4, 7, 10 and 11 and then as part of the final accounts report.

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

a) capital receipts from the sale of assets (after applying the flexible use of capital receipts policy if applicable)
b) capital grants and contributions
c) earmarked reserves
d) the general fund capital schemes reserve
e) revenue contributions
f) internal borrowing
g) external borrowing

4.16 The actual financing of each years' capital programme is determined in the year in question, as part of the preparation of the Councils' statutory accounts.

4.17 Capital expenditure is split between the 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.

4.18 Our current approved capital programme, revised in year for updates in the programme and for the new bids approved by the Executive is as follows:

CAPITAL EXPENDITURE SUMMARY	2019-20 Approved £000	2019-20 Outturn £000	2019-20 Variance £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
General Fund Capital Expenditure								
- Main Programme	62,504	59,875	(2,629)	41,568	14,282	5,825	5,825	5,825
- Provisional schemes	17,476	2,262	(15,214)	102,867	64,072	87,335	5,162	0
- Schemes funded by reserves	6,769	6,730	(39)	3,365	1,500	500	0	0
- S106 Projects	36	150	114	0	0	0	0	0
Total Expenditure	**86,785**	**69,017**	**(17,768)**	**147,800**	**79,854**	**93,660**	**10,987**	**5,825**
Financed by :								
Capital Receipts	0	(2,031)	(2,031)	0	(4,000)	(11,200)	(10,987)	(5,825)
Capital Grants/Contributions	(19,681)	(7,554)	12,127	(41,368)	(7,550)	(5,500)	0	0
Capital Reserves/Revenue	(20,509)	(16,486)	4,023	(3,585)	(1,720)	(720)	0	0
Borrowing	(46,595)	(42,946)	3,649	(102,847)	(66,584)	(76,240)	0	0
Financing - Totals	**(86,785)**	**(69,017)**	**17,768**	**(147,800)**	**(79,854)**	**(93,660)**	**(10,987)**	**(5,825)**
Housing Revenue Account Capital Expenditure								
- Main Programme	8,567	11,739	3,172	5,758	5,525	4,025	4,075	1,400
- Provisional schemes	406	1,106	700	18,032	24,637	11,167	9,575	5,575
Total Expenditure	**8,973**	**12,845**	**3,872**	**23,790**	**30,162**	**15,192**	**13,650**	**6,975**
Financed by :								
- Capital Receipts	(1,404)	(2,240)	(836)	(5,745)	(7,656)	(3,165)	(400)	(700)
- Capital Reserves/Revenue	(7,569)	(10,605)	(3,037)	(8,046)	(12,506)	(2,027)	(3,250)	3,725
- Borrowing	0	0	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Financing - Totals	**(8,973)**	**(12,845)**	**(3,872)**	**(23,790)**	**(30,162)**	**(15,192)**	**(13,650)**	**(6,975)**

4.19 The programme has slipped in 2019-20 – estimated expenditure on the GF of £86.8 million, has been reduced to £69 million. The majority of this relates to expenditure on regeneration schemes and has been moved into later years.

4.20 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 accounts for in the HRA capital programme. All other housing related expenditure is accounted for in the GR capital programme.

4.21 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 the preparation costs regardless of who builds the structure.

New capital schemes

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

4.23 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.

4.24 Any projects that are expected to be delivered after the five-year period, of those where a scheme has not yet been fully identified are placed on the Councils' Capital Vision [1](see Appendix 8). This allows us to model the potential financial impact of these schemes, and be aware of schemes that are likely to be brought forward onto

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

the GF capital programme in future, and start planning potential funding streams for those schemes.

4.25 Many of the bids in the programme are development projects, and their expenditure and income profile could span beyond the five-year timeframe in this report. This report, therefore, shows a prudent capital programme and any income arising as a result of a development project (either revenue or capital) that is outside of the five years or is currently only estimates, is shown on the capital vision.

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

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

- Projects up to £200,000 – a simple business justification case will be required to justify the spending proposal
- Projects £200,000 and over – will require a 3-stage business case consisting of:
    - a strategic outline case (i.e. the capital bid)
    - a detailed outline business case evaluating the strategic case, economic case (including options appraisal), commercial viability, financial affordability and management case for change – this will be reported to the Executive at the point a project is asking for approval to be moved from the provisional to the approved capital programme
    - a final business case – setting out the procurement process and evaluation of tenders prior to the contractual commitment of expenditure

4.28 The Council has a limited amount of resources and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Councils' objectives. The criteria is as follows:

a) Each project must meet one of the five spending objectives:
    a. Economy (invest to save, i.e. to reduce cost of services)
    b. Efficiency (i.e. to improve throughput and unit costs)
    c. Effectiveness (improving outcomes for the community)
    d. Retendering to replace elements of the existing service
    e. Statutory or regulatory compliance (i.e. H&S)

b) Each scheme must be assessed against the fundamental themes within the Councils' 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 cash-flows and quantifiable economic benefits, payback period, Internal Rate of Return (IRR), Peak Debt and the assessment of its Revenue impact.

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

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

f) The revenue impact must be neutral or positive on the GF for all investment projects

g) All projects should assess the qualitative benefits

4.29 Bids are submitted for initial review by the officer led CMG in September. Their role is to scrutinise the bids, and review them in line with the overall capital programme. CMT will then review the updated bids, along with the financial impacts and NPV scores. Once CMT are fully supportive of the bids the relevant Lead Councillor will be given a copy, and they will be presented to Councillors in the JEABBWG for review and scrutiny in November/December before being passed through the Committee Cycle and ultimately being approved at Full Council in February.

4.30 The Council may set an affordability limit based on what the GF can afford for implications of the capital programme (primarily MRP and borrowing interest). The idea is 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.

4.31 This local limit is based 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.

4.32 The impact is that there will be a limit to the number of Essential capital schemes (ie those 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). Based on an average asset life of 25 years for MRP purposes, the limit for new essential schemes to be funded by borrowing for each financial year in the capital programme will be:

	2020-21 Projection	**2021-22 Projection**	**2022-23 Projection**	**2023-24 Projection**	**2024-25 Projection**
Affordable increase in financing costs	288,229	195,737	202,000	209,012	216,163
Maximum limit on non-development capital schemes	7,205,720	4,893,428	5,049,997	5,225,298	5,404,063

4.33 This limit does not apply to development capital schemes (i.e. those that will be undertaken for economic growth, regeneration, redevelopment or income generation purposes, titled development/infrastructure – non financial benefit and development – financial benefit) as these schemes are defined as those which are anticipated to have a neutral or positive impact on the GF revenue account or on the town. This means that annual savings or additional income achieved from an investment capital schemes is greater than its financing costs over a range of scenarios 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.

4.34 A summary of the new bids can be seen in Appendix 2

4.35 Once Councillors have approved the new bids, they will be added to the provisional capital programme, unless the business case specifically recommends the scheme be implemented immediately, explaining in detail why.

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

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

5. Treasury management, borrowing and investment strategy

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

5.2 Treasury risk management at the Council is conducted within the framework of the CIPFA Treasury Management in the Public Services: Code of Practice 2017 ('TM Code') which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Councils' legal obligation under the Local Government Act 2003 to have regard to the TM Code.

Capital Financing Requirement (CFR)

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

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

5.5 The Councils' 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 £45 million. This represents the minimum level of cash / investments we will hold at any point in time, to maintain sufficient liquidity.

5.6 The liability benchmark assumes:

- an allowance for currently known capital expenditure, until 2023-24, and then an assumed level of £25 million per annum for general capital bids, plus anticipated capital programme and capital vision items where the costs and timings can be estimated
- MRP has been allowed for based on the underlying need to borrow for the GF capital programme until 2023-24, and then projected forward based on the assumed level of capital expenditure with MRP over 25 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.

Guildford BC Balance Sheet Summary and Projections in £'000 - last updated 27 Nov 2019							
31st March:	2019	2020	2021	2022	2023	2024	2025
Loans Capital Financing Req.	294,706	337,488	424,133	500,960	598,660	676,771	776,585
Less: External Borrowing	(212,702)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
Internal (Over) Borrowing	**82,004**	**144,823**	**231,698**	**353,525**	**451,225**	**539,336**	**649,150**
Less: Usable Reserves	(164,974)	(168,628)	(176,489)	(186,701)	(199,100)	(213,116)	(227,032)
Less: Working Capital Surplus	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
(Investments) / New Borrowing	**(95,331)**	**(36,166)**	**42,848**	**154,463**	**239,764**	**313,859**	**409,634**
Net Borrowing Requirement	117,371	156,499	235,283	301,898	387,199	451,294	537,069
Preferred Year-end Position	45,000	45,000	45,000	45,000	45,000	45,000	45,450
Liability Benchmark (year-end)	**162,371**	**201,499**	**280,283**	**346,898**	**432,199**	**496,294**	**582,519**
Peak to Trough Cash Flow	(7,388)	(7,462)	(7,536)	(7,612)	(7,688)	(7,765)	(7,842)
Liability Benchmark (mid-year)	**154,983**	**194,038**	**272,747**	**339,286**	**424,511**	**488,530**	**574,677**

Housing Revenue Account - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
HRA Loans CFR	197,024	207,024	217,024	227,024	237,024	237,024	237,024
HRA Reserves	(116,224)	(119,420)	(127,510)	(137,593)	(151,112)	(165,935)	(179,818)
HRA Working Capital	0	0	0	0	0	0	0
HRA Borrowing	(192,895)	(192,665)	(192,435)	(147,435)	(147,435)	(137,435)	(127,435)
HRA Cash Balance	**(112,095)**	**(105,061)**	**(102,921)**	**(58,004)**	**(61,523)**	**(66,346)**	**(70,229)**

General Fund - Summary and Projections in £000							
31st March:	2019	2020	2021	2022	2023	2024	2025
GF Loans CFR	97,682	130,464	207,109	273,936	361,636	439,747	539,561
GF Reserves	(48,750)	(49,208)	(48,979)	(49,108)	(47,988)	(47,181)	(47,214)
GF Working Capital	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,361)	(12,485)
GF Borrowing	(19,807)	0	0	0	0	0	0
GF Cash Balance	**16,764**	**68,895**	**145,769**	**212,467**	**301,287**	**380,205**	**479,863**

5.7 The liability benchmark shows the lowest risk level of borrowing – i.e. using the Councils' overall cash to fund the capital programme, and only externalising the borrowing when our minimum liquidity requirement is reached.

5.8 The differential between the CFR and the level of reserves is the Councils' 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 Councils' overall cash). Items on the capital vision are currently excluded, mainly because the cost and/or timings of the schemes are unknown.

5.9 The Prudential Code recommends that the Councils' 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 Councils' internal / (over) borrowing position and shows that we are expecting to comply with this recommendation.

5.10 The 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 (2019-20 to 2021-22). The liability benchmark is expected to increase to £777 million by March 2025.

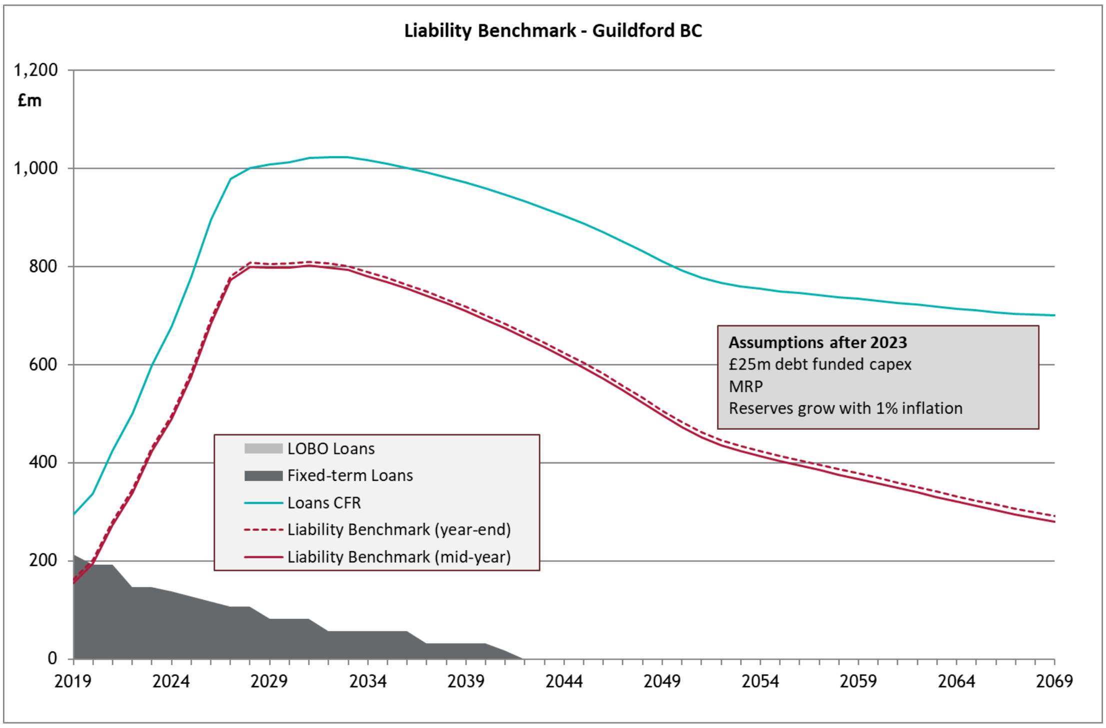
5.11 The Council has an increasing CFR due to the increasing need to borrow for the GF capital programme. The increase in estimated capital spend is more than the annual MRP. We are projecting the cash balance of the Council to reduce, whilst maintaining a good level of (core) reserves over the period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

5.12 HRA reserves are decreasing over the early part of the period because of the HRA plans to build new social housing. Our priority is to build new homes rather than reduce debt, although moving forward the table does not include any new borrowing, to show the true cash position of the HRA, and, therefore, the requirement to refinance borrowing.

5.13 GF reserves are projected to remain stable (our core cash). The CFR is increasing sharply due to the proposed capital programme. We are projecting a small need to borrow for the Council as a whole from 2020-21, based on the current profile of the capital programme. We have taken out short-term loans in the year to cover cash flow.

5.14 Working capital is the net of 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).

5.15 The liability benchmark can also be presented graphically:



5.16 The red solid line is the liability benchmark (the lowest risk strategy). If the liability benchmark line rises above the amount of loans we have (shaded area), we <u>need</u> to borrow externally and no longer have any internal borrowing capacity.

Borrowing strategy

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

5.18 Given the significant cuts to public expenditure and in particular local government funding, our borrowing strategy continues to focus on affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources or to borrow short-term instead.

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

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

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

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

5.23 We will continue to monitor our internal borrowing position against the potential of incurring additional interest costs if we defer externalising borrowing into the future when long-term borrowing costs are forecast to rise modestly. Arlingclose will assist us with this 'cost of carry' and breakdown analysis in line with our capital spending plans. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2020-21 with a view to keeping future interest costs low, even if this causes additional cost in the short term.

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

5.25 Its output may determine whether we arrange forward stating loans during 2020-21, where the interest is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

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

Sources of borrowing

5.27 We have previously borrowed our long-term HRA borrowing from the PWLB. But, the Government increased PWLB rates by 1% in October 2019, making it now a relatively expensive option. We will review all borrowing sources moving forwards and may explore the possibility of issuing bonds and similar instruments in order to lower interest costs and reduce over reliance on one source of funding, in line with the CIPFA Code.

5.28 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
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the local pension fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

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

- leasing
- hire purchase
- sale and leaseback

Municipal Bond Agency (MBA)

5.30 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to uses bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB because:

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

Short-term and variable rate loans

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

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

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

Maturity Structure of borrowing		
	2020-21	
	Lower	Upper
Under 12 months	0%	50.00%
1 year to 2 years	0%	50.00%
3 years to 5 years	0%	60.00%
6 years to 10 years	0%	75.00%
11 years and above	0%	100.00%

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

Debt Rescheduling

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

Investment strategy

5.36 The CIPFA TM code requires 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.

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

5.38 If the UK enters into a recession in 2020-21, 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. The 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.

5.39 Given the increasing risk 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 2021-21. This is especially the case for our longer-term investments. This diversification will represent a continuation of the new strategy adopted in 2015-16.

5.40 The Council has had a review undertaken, and as such, linked to the profile of the capital programme, the optimum asset allocation is:

Overnight liquidity	5%
Long-term fixed deposits (1-3years)	21%

Unsecured bonds (1-4years)	21%
Covered bonds (1-5 years)	23%
External funds	5%
Revolving credit facility	2%
Asset backed securities	10%
Private bonds	13%

This will be reviewed annually.

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

5.42 Under the new IRFS 9 accounting standard, the accounting of certain investments depends on the Councils' 'business model' for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and, therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Counterparty limits

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

Credit Rating	**Banks - unsecured**	**Banks - secured**	**Government (incl LAs)**	**Corporates**	**Asset backed securities**
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	£10m, 5 yrs	£6m, 3 yrs	£6m, 5 yrs
A	£6m, 2 yrs	£10m, 3 yrs	£10m, 5 yrs	£6m, 2 yrs	£6m, 5 yrs
A-	£6m, 18 mths	£10m, 2 yrs	£10m, 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				

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

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

5.46 To mitigate the risk of default, we will ensure that no more than £10 million will be invested in any one institution or institutions within the same group (other than the UK Government). 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.

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

5.48 Banks unsecured: accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments re subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

5.49 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 limited 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 higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit or secured investments.

5.50 Government: loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50-years.

5.51 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. Loans to unrated companies will only be made either following an external credit assessment or as part of a diversified pool to spread the risk widely.

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

5.53 Pooled funds: shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. 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.

5.54 Bond, 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, their performance and continued suitability in meeting our investment objectives will be monitored regularly.

5.55 Real estate investment trusts: shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with the property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

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

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

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

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

Risk and credit ratings

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

- no new investments will be made
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

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

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

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

5.64 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of our investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to meet the Councils' cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

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

- Security: we have adopted a voluntary measure of our exposure to credit risk by monitoring the value-weighted average credit rating of our investment portfolio. This is calculated by applying a score to each investment based on credit ratings (AAA=1, AA+=2 etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. The average portfolio credit rating target is set for A for 2020-21.
- Liquidity: we monitor our liquidity for a given financial year using an online cash-flow system. We project forward for the financial year, and enter all known cash transactions at the beginning of the financial year and then update the position on a daily basis. This forms the basis of our investment decisions in terms of duration and value of investments made. We have set £40 million as our minimum liquidity requirement. We also have a high-level cash flow projection over four years.

5.66 Principal sums invested for periods longer than a year: the purpose of this indicator is to control the Councils' exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2020-21 Approved	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Upper limit for total principal sums invested for longer than a year	£50m	£50m	£40m	£30m

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

6. Other items

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

Policy on the use of Financial Derivatives

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

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

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

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

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

Markets in Financial Instruments Derivative

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

Policy on apportioning interest to the HRA

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

6.9 Interest payable and other costs or income arising from long-term loans (for example premiums and discounts on early redemption) will be charged or credited to the respective account. Differences between the value of the HRA loans pool and the HRAs underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance, which may be positive or negative.

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

6.11 For notional cash balances we will apply the average DMO rate for the year. This rate is the lowest credit risk investment. We apply this because if there are any investment defaults it will be a charge to the GF, regardless of whether it was HRA cash that was lost.

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SCHEDULE OF GENERAL FUND CAPITAL BIDS 2020-21 TO 2024-25

Bid number	Project title	GROSS ESTIMATES 2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	TOTAL COST £000	Third party contr £000	Specific reserves £000	General reserves/ borrowing £000
	General fund									
	Approved capital programme									
1	SMP Ph 1 Calorifier replacement	28	0	0	0	0	**28**	0	0	28
2	SMP Main pavilion amenity club	50	0	0	0	0	**50**	0	0	50
3	SMP cricket pavilion	120	0	0	0	0	**120**	0	0	120
	Provisional programme									
4	Investment property acquisition	20,000	10,000	10,000	0	0	**40,000**	0	0	40,000
5	New House	416	0	0	0	0	**416**	0	0	416
6	Energy & C02 reduction in Council non HRA properties	268	500	500	500	500	**2,268**	0	0	2,268
	Capital Contingency fund (annual budget)	0	0	0	0	5,000	**5,000**	0	0	5,000
	Total	**20,881**	**10,500**	**10,500**	**500**	**5,500**	**47,881**	**0**	**0**	**47,881**
	For reserves programme (approved prog)									
7	LED lighting	44	0	0	0	0	**44**	0	(44)	0
8	Car Parks Maintenance reserve	575	0	0	0	0	**575**	0	(575)	0
9	ASHP CAB	0	28	0	0	0	**28**	0	(28)	0
	Total funded from reserves	**619**	**28**	**0**	**0**	**0**	**647**	**0**	**(647)**	**0**
	Gross total	**21,500**	**10,528**	**10,500**	**500**	**5,500**	**48,528**	**0**	**(647)**	**47,881**
	Funded by reserves or contributions	(619)	(28)	0	0	0	**(647)**			
	Cost to the Council	**20,881**	**10,500**	**10,500**	**500**	**5,500**	**47,881**			
	Already in programme	0	0	0	0	0	**0**			
	Net addition to the programme	**20,881**	**10,500**	**10,500**	**500**	**5,500**	**47,881**			
						47,881				

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate	Cumulative spend at 31-03-19	2019-20 Estimate approved by Council in February	Revised estimate	Expenditure at 06.01.2020	Projected exp est by project officer	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	Future years est exp	Projected expenditure total	Grants / Contributions towards cost of scheme	Funded from Reserves	Net cost of scheme
		(a) £000	*(b)* £000	*(c)* £000	*(d)* £000	*(e)* £000	*(f)* £000	*(ii)* £000	*(iii)* £000	*(iv)* £000	*(v)* £000	*(v)* £000	*(g)* £000	*(b)+(g) = (h)* £000	*(i)* £000		*(h)-(i) = (j)* £000
	APPROVED SCHEMES																
	COMMUNITY DIRECTORATE																
	General Fund Housing																
ED30	Home Farm, Effingham - provision of Gypsy and Travellor pitches COMPLETE	1,000	987	-	-	(10)	-	-	-	-	-	-	-	987	-		987
	Disabled Facilities Grants		annual	605	605	308	605	605	605	605	605	605	3,025	3,630	(710)		2,920
	Better Care Fund			-		152	-	-						-			-
	Home Improvement Assistance			-	-	56	-	-					-	-	-		-
	Solar Energy Loans			-	-	-	-	-					-	-	-		-
	BCF TESH Project					5											
	BCF Prevention grant				-	10											
	SHIP			-	-	1	-	-					-	-	-		-
	General Grants to HAs		annual	100	100	-	100	100	100	100	100	100	500	600	-		600
	General feasibility, site preparation costs for affordable housing		annual	120	120		-	120	120	120	120	120	600	680	-		680
	Bright Hill Car Park Site		19			8	30						-	-	-		-
	Garage Sites-General		160			1	1						-	-	-		-
	Japonica Court/Shawfield Day Centre COMPLETE		4			2	2										
	Site B10b feasibility					2	2										
	Redevelopment bid 13					12	45										
	Corporate Prorperty																
ED3/15	Disabled Access (DDA) Improvements: ph.2 & 3	404	368	-	36	0	36	-	-	-	-	-	-	404	-		404
ED14(e)	Void investment property refurbishment works	400	237	10	47	-	47	-	-	-	-	-	-	400	-		400
ED14	5 High Street void works		-	55	105	42	105	-					-				
ED14	Unit 3 The Billings void works				1	1	1										
ED15	Liongate void works				10	10	10										
ED14	10 Midleton void works	230		130	230	7	230							230	(100)		130
ED19	Asbestos surveys and removal in non-residential council premises	158	130	32	28	16	28	-	-	-	-	-	-	158	-		158
ED21	Methane gas monitoring system	100	45	45	55	-	51	-	-	-	-	-	-	96	-		100
ED21a	Methane gas monitoring Depots						4										
ED22	Energy efficiency compliance - Council owned properties	245	58	-	187	10	50	137	-	-	-	-	137	245	-		245
ED26	Bridges -Inspections and remedial works	317	173	-	130	-	130	-	-	-	-	-	-	317	-		317
ED26	Bridges - Millmead Footbridge		4			-	-										
ED26	Bridges - Shalford Common		1			-	-										
ED26	Bridges - Millmead Lattice		9			8	-										
ED26	Bridges - Shalford Rd/Millmead Island		0			-	-										
ED35	Electric Theatre - new boilers	120	-	120	120	-	120	-	-	-	-	-	-	120	-		120
ED41	The Billings roof	200	27	-	(2)	(1)	(2)	175	-	-	-	-	175	200	-		200
ED42	Guildford house dampproofing- removal of decayed timber panellling and mathematical tiling at high level COMPLETE	35	31	-	4	1	4	-	-	-	-	-	-	35	-		35
ED44	Broadwater cottage	224	69	172	155	14	155	-	-	-	-	-	-	224	-		224
ED45	Gunpowder mills - scheduled ancient monument	222	5	145	165	4	165	52	-	-	-	-	52	222	-		222
ED46	New House - short term works following acquisition	70	54	-	16	-	16	-	-	-	-	-	-	70	-		70
ED51(p)	Guildford House Exhibition lighting	50	-	50	50	-	-	50	-	-	-	-	50	50	-		50
ED47	Cladding of Ash Vale units	145	13	135	132	(8)	40	92	-	-	-	-	92	145	-		145
ED55	48 Quarry Street, Museum - structural works	250	15	232	235	198	235	-	-	-	-	-	-	250	-		250
ED53	Tyting Farm Land-removal of barns and concrete hardstanding	200	-	200	200	7	200	-	-	-	-	-	-	200	-		200
ED56	Foxenden Tunnels safety works	110		110	110	16	110	-					-	110	-		110
ED57	Holy Trinity Church boundary wall	63		63	63	4	63	-					-	63	-		63
NEW 1	SMP Ph1 Calorifer replacement	28		-	-	-	-	28					28	28	-		28
NEW 2	SMP Main pavilion amenity club	50		-	-	-	-	50					50	50	-		50
NEW 3	SMP cricket pavilion	120		-	-	-	-	120					120	120	-		120
	Office Services																
BS4	Hydro private wire - Tollhouse to Millmead	4	3	-	1	-	1	-	-	-	-	-	-	4	-		4
	Millmead - IT Cooling System	150	18		132	75	132						-	150			150
					-												
	COMMUNITY DIRECTORATE TOTAL	**4,894**	**2,430**	**2,324**	**3,035**	**952**	**2,716**	**1,529**	**825**	**825**	**825**	**825**	**4,829**	**9,787**	**(810)**		**8,981**
	ENVIRONMENT DIRECTORATE																
	Operational Services																
OP1	Safer Guildford: CCTV & Lighting Strategy - Lighting Strategy phase 3 & 4	345	324	21	21	-	0	21	-	-	-	-	21	345	-		345
OP5	Mill Lane (Pirbright) Flood Protection Scheme	71	55	16	16	-	16	-	-	-	-	-	-	71	(19)		52
OP6	Vehicles, Plant & Equipment Replacement Programme	10,665	5,750	579	695	328	695	4,220	-	-	-	-	4,220	10,665	(26)		10,639
	Mary Road Flood (EA grant) COMPLETE	45	16	29	29	-	0	-						16	(16)		-
OP20	Flood resilience measures (use in conjunction with grant funded schemes)	100	-	100	100	-	100	-	-	-	-	-	-	100	-		100

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Directorate/Service and Capital Scheme name	Approved gross estimate (a) £000	Cumulative spend at 31-03-19 (b) £000	2019-20 Estimate approved by Council in February (c) £000	Revised estimate (d) £000	Expenditure at 06.01.2020 (e) £000	Projected exp est by project officer (f) £000	2020-21 Est for year (ii) £000	2021-22 Est for year (iii) £000	2022-23 Est for year (iv) £000	2023-24 Est for year (v) £000	2024-25 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g) = (h) £000	Grants / Contributions towards cost of scheme (i) £000	Funded from Reserves	Net cost of scheme (h)-(i) = (j) £000
OP22	Litter bins replacement	265	112	-	153	-	0	153	-	-	-	-	153	265	-		265
OP25	WRD roads and footpaths	150	95	40	55	54	55	-	-	-	-	-	-	150	-		150
OP26	Merrow lane grille & headwall construction	60	3	57	57	-	(0)	57	-	-	-	-	57	60	-		60
OP27	Merrow & Burpham surface water study	15	-	15	15	-	15	-	-	-	-	-	-	15	-		15
OP28	Crown court CCTV	10	-	10	10	-	10	-	-	-	-	-	-	10	-		10
OP17	New vehicle washing system	155	1	-	154	54	154	-	-	-	-	-	-	155	-		155
	Parks and Leisure						-										
PL11	Spectrum Roof replacement	4,000	1,535	300	435	40	435	-	-	-	-	-	-	3,100	-		3,100
	Spectrum roof - steelwork ph2	-	409	-	-	-	-	-	-	-	-	-	-	-	-		-
	Spectrum roof - steelwork ph3	-	720			19	-							-			-
PL25	Spectrum Combined Heat and Power (GF contr) COMPLETE	867	290	-	77	15	15	-	-	-	-	-	-	305	-		305
PL15	Infrastructure works: Guildford Commons	150	3	-	-	-	-	-	-	-	-	-	-	3	-		3
PL15(a)	Infrastructure works: Guildford Commons: Merrow	-	12	-	5	2	5	-	-	-	-	-	-	17	-		17
PL15(b)	Infrastructure works: Guildford Commons: Shalford	-	111	-	19	19	19	-	-	-	-	-	-	130	-		130
PL20(b)	Westnye Gardens play area	125	118	-	7	1	7	-	-	-	-	-	-	125	(1)		124
PL20(c)	Redevelopment of Westborough and Park barn play area	320	-	250	250	-	25	295	-	-	-	-	295	320	-		320
PL34	Stoke cemetry re-tarmac	47	-	47	47	-	-	47	-	-	-	-	47	47	-		47
PL35	Woodbridge rd sportsground replace fencing	280	195	-	85	67	85	-	-	-	-	-	-	281	-		281
PL36	Stoke Park Composting facility NO LONGER REQD	105	-	105	105	-	-	-	-	-	-	-	-	-	-		-
PL39(P)	Aldershot rd allotment expansion & improvement	20	-	-	20	1	20	-	-	-	-	-	-	20	-		20
PL42	Pre-sang costs	100	24	61	76	30	76	-	-	-	-	-	-	100	-		100
PL43	Stoke Cemetry Chapel - phase 2(COMPLETE)	1	-		1	1	1	-	-	-	-	-	-	1	-		1
PL47	Wall repairs for parks, cemeteries & recreation facilities	201	172	-	30	8	30	-	-	-	-	-	-	201	-		201
PL57	Parks and Countryside - repairs and renewal of paths,roads and car parks	165	94	-	71	6	71	-	-	-	-	-	-	165	-		165
PL24	Kings college astro turf	547	76	-	470	417	470	-	-	-	-	-	-	547	(427)		120
PL58	Shalford Common - regularising car parking/reduction of encroachments	121		60	60	22	22	99	-				99	121	-		121
	Allen House Pavillion - Roof Works	30			30	-	30	-	-				-	30	-		30
PL60	Traveller encampments - Bellfields Green	72		72	72	60	72	-	-	-	-	-	-	72	-		72
PL60	Traveller encampments - Shalford Common	48		48	48	-	48	-	-	-	-	-	-	48	-		48
	ENVIRONMENT TOTAL DIRECTORATE	**19,080**	**10,117**	**1,810**	**3,213**	**1,145**	**2,476**	**4,892**	**-**	**-**	**-**	**-**	**4,892**	**17,485**	**(489)**		**16,997**
	FINANCE DIRECTORATE																
						-											
	Financial Services																
FS1	Capital contingency fund	annual	-	5,000	3,778	-	3,778	5,000	5,000	5,000	5,000	5,000	25,000	28,778	-		28,778
	RESOURCES DIRECTORATE TOTAL	**0**	**0**	**5,000**	**3,778**	**0**	**3,778**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**25,000**	**28,778**	**0**		**28,778**
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS																
	Development / Infrastructure																
ED54	Rodboro Buildings - electric theatre through road and parking	450	10	450	440	5	70	280	-	-	-	-	280	360	-		360
ED18	Museum and castle development	1,652	188	180	444	146	444	1,020	-	-	-	-	1,020	1,652	-		1,652
ED52	Public Realm Scheme (Chapel Street/Castle Street/Tunsgate)	2,627	992	1,425	1,635	6	1,635	-	-	-	-		-	2,627	(10)	(1,615)	1,002
P5	Walnut Bridge replacement	4,291	1,367	1,301	1,813	172	1,314	1,593	17	-		-	1,610	4,291	(1,825)		2,466
ED32	Internal Estate Road - CLLR Phase 1	11,139	2,292	6,500	8,847	6,893	8,847	-	-	-	-	-	-	11,139	(5,100)		6,039
P9c	Town Centre Gateway Regeneration	3,523	43	3,481	3,480	7	(0)	3,480	-	-	-	-	3,480	3,523	-		3,523
	SMC(West) Phase 1	3,850	250	1,383	1,935	402	625	2,975	-				2,975	3,850	(2,725)		1,125
P16	A331 hotspots	3,930	147	2,230	2,383	63	637	3,146	-	-	-	-	3,146	3,930	(1,965)		1,965
P14	Town Centre Approaches	1,033	-	1,033	1,033	3	217	816	-	-	-	-	816	1,033	(700)		333
P22	Ash Bridge Land acquistion	120	2	-	118	102	118		-	-	-	-	-	120	-		120
P21	Ash Road Bridge	4,060	646	4,060	2,814	719	1,200	2,214	-	-	-	-	2,214	4,060	(4,060)		(0)
P11	Guildford West (PB) station	500	-	500	500	-	500	-	-	-	-	-	-	500	-		500
	Development Financial																
	Investment in North Downs Housing (60%)	15,180	4,619	3,600	4,379	2,730	4,379	4,500	1,682	-	-	-	6,182	15,180	-		15,180
	Equity shares in Guildford Holdings ltd (40%)	10,120	3,083	2,400	2,920	1,820	2,920	3,000	1,117	-	-	-	4,117	10,120	-		10,120
ED25	Guildford Park - new MSCP and infrastructure works	6,500	1,803	3,509	3,762	165	300	3,462	-	-	-	-	3,462	6,500	-		6,500
	Guildford Park - Housing for private sale		935			123	-										
ED49	Middleton Ind Est Redevelopment	9,350	255	3,649	3,595	534	3,595	5,500	-	-	-		5,500	9,350			9,350
P12	Strategic property acquisitions	8,520	-	4,647	8,520	7,007	8,520	-	-	-	-	-	-	8,520	-		8,520
PL9	Rebuild Crematorium	11,822	4,472	7,372	7,350	4,549	7,350	-	-	-	-	-	-	11,822	-		11,822
ED27	North Street Development / Guild Town Centre regeneration	977	741	-	236	38	0	236	-	-	-	-	236	977	(50)		927
PL29	Woodbridge Rd sportsground	2,311	2,211	-	100	3	100	-	-	-	-	-	-	2,311	(496)		1,814
ED6	Slyfield Area Regeneration Project (SARP)	15,225	3,214	6,000	5,670	7,781	10,215	700	1,096	-	-	-	1,796	15,225	(135)		15,090
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION	**117,180**	**27,270**	**53,720**	**61,973**	**33,267**	**52,985**	**32,922**	**3,912**	**0**	**0**	**0**	**36,834**	**117,089**	**(17,067)**	**(1,615)**	**98,407**
	APPROVED SCHEMES TOTAL	**141,154**	**39,817**	**62,854**	**71,999**	**35,364**	**61,955**	**44,343**	**9,737**	**5,825**	**5,825**	**5,825**	**71,555**	**173,140**	**(18,366)**	**(1,615)**	**153,163**

Agenda item number: 9
Appendix 3

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Directorate / Service Units Capital Schemes	Gross estimate approved by Executive	Cumulative spend at 31-03-19	2019-20 Estimate approved by Council in February	Revised estimate	Expenditure at 06.01.2020	Projected exp est by project officer	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 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)*	*(e)*	*(f)*	*(g)*	*(i)*	*(ii)*	*(iii)*	*(iv)*	*(v)*	*(h)*	*(b) to (g)=(i)*	*(j)*	*(i) - (j) = (k)*
		£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															
	General Fund Housing															
CM1(p)	Old Manor House - replacement windows	193	-	193	193	-	-	193	-	-	-	-	193	193	-	193
	Corporate Property															
ED14(P)	Void investment property refurbishment works	170	-	170	170	-	-	170	-	-	-	-	170	170	-	170
ED21(P)	Methane gas monitoring system	150	-	150	150	-	-	150	-	-	-	-	150	150	-	150
ED22(P)	Energy efficiency compliance - Council owned properties	950	-	-	-	-	-	950	-	-	-	-	950	950	-	950
ED26(P)	Bridges	370	-	370	370	-	-	370	-	-	-	-	370	370	-	370
ED48(p)	Westfield/Moorfield rd resurfacing	3,152	-	-	-	-	-	3,152	-	-	-	-	3,152	3,152	-	3,152
ED53(p)	Tyting Farm Land-removal of barns and concrete	50	-	50	50		50	-	-	-	-	-	-	50	-	50
ED56(p)	Land to the rear of 39-42 Castle Street	10		10	10		10	-	-	-	-	-	-	10	-	10
PL54(p)	Shawfield DC - fire alarm system and LED lighting upgrade(NO LONGER REQD)	83	-	83	83	-	-	-	-	-	-	-	-	-	-	-
NEW 5	New House works	416	-	-	-	-	-	416	-	-	-	-	416	416	-	416
NEW 6	Energy & CO2 reduction in Council non HRA properties	2,268	-	-	-	-	-	268	500	500	500	500	2,268	2,268	-	2,268
	Office Services						-									
CD3(P)	Renewables	65		-	65	-	65	-	-	-	-	-	-	65	-	65
BS3(p)	Millmead House - M&E plant renewal	33		-	33		-	-	33	-	-	-	33	33	-	33
BS4(p)	Hydro private wire - Tollhouse to Millmead	82		-	82		82	-	-	-	-	-	-	82	-	82
	COMMUNITY DIRECTORATE TOTAL	**7,992**	**-**	**1,026**	**1,206**	**-**	**207**	**5,669**	**533**	**500**	**500**	**500**	**7,702**	**7,909**	**-**	**7,909**
	ENVIRONMENT DIRECTORATE															
	Operational Services															
OP5(P)	Mill Lane (Pirbright) Flood Protection Scheme	200	-	200	200	-	200	-	-	-	-	-	-	200	(20)	180
OP6(P)	Vehicles, Plant & Equipment Replacement Programme	1,600	-	-	-	-	-	780	-	-	-	-	780	780	-	780
OP21(P)	Surface water management plan	200	-	200	200	-	200	-	-	-	-	-	-	200	-	200
OP22(P)	Town Centre CCTV upgrade	250		250	250		250	-	-	-	-	-	-	250	-	250
	Parks and Leisure						-									
PL16(P)	New burial grounds - acquisition & development	7,834	38	100	100	-	50	-	-	-	-	-	-	88	-	88
PL18(P)	Refurbishment / rebuild Sutherland Memorial Park Pavilion	150	-	-	-	-	-	-	-	-	150	-	150	150	-	150
PL39(P)	Aldershot rd allotment expansion & improvement	180	-	-	-	-	20	160	-	-	-	-	160	180	-	180
PL41(P)	Stoke pk office accomodation & storage buildings	665	-	-	-	-	-	665	-	-	-	-	665	665	-	665
PL44(p)	Sutherland memorial park all weather courts new posts and barriers COMPLETE	25	-	-	25	-	-	-	-	-	-	-	-	-	-	-
PL45(p)	Stoke Pk gardens water feature refurb	81	-	-	-	-	81	-	-	-	-	-	-	81	(59)	22
PL55(p)	Sutherland Memorial Park - electrical works	39	-	-	39	-	39	-	-	-	-	-	-	39	-	39
PL56(p)	Stoke Park Masterplan enabling costs	500	-	100	100	-	-	100	150	100	150		500	500	-	500
PL57(p)	Parks and Countryside - repairs and renewal of paths,roads and car parks	1,645	-	400	372	-	372	400	400	400	-	-	1,200	1,572	-	1,572
PL58(p)	Sports pavillions - replace water heaters	154	-	-	154	-	-	28	42	42	42	-	154	154	-	154
PL59(p)	Millmead fish pass	60	-	60	60	-	60	-	-	-	-	-	-	60	-	60
PL60(p)	Traveller encampments	130		60	60	-	-	130	-	-	-	-	130	130	-	130
	ENVIRONMENT DIRECTORATE TOTAL	**13,713**	**38**	**1,370**	**1,560**	**-**	**1,272**	**2,263**	**592**	**542**	**342**	**-**	**3,739**	**5,049**	**(79)**	**4,970**
	DEVELOPMENT/INCOME GENERATING/COST REDUCTION PROJECTS															
	Development / Infrastructure															
ED18(P)	Guildford Museum	16,810	-	-	-	-	-	16,810	-	-	-	-	16,810	16,810	(11,800)	5,010
	Investment in North Downs Housing	30,100	-	-	-	-	-	-	5,518	12,539	-	-	18,057	18,057	-	18,057
	Equity shares in Guildford Holdings ltd	-	-	-	-	-	-	-	3,683	8,360	-	-	12,043	12,043	-	12,043
P10(p)	Sustainable Movement Corrider	6,045	-	-	-	-	-	-	-	6,045	-	-	6,045	6,045	-	6,045
P11(p)	Guildford West (PB) station	4,700	-	650	650	-	-	1,700	3,000	-	-	-	4,700	4,700	(3,750)	950
P14(p)	Guildford Gyratory & approaches	10,967	-	-	-	-	-	3,500	3,500	3,967	-	-	10,967	10,967	(5,000)	5,967
P15(p)	Guildford bike share	530	-	530	530	-	530	-	-	-	-	-	-	530	-	530
P17(p)	Bus station relocation	500	-	300	300	-	-	500	-	-	-	-	500	500	-	500
P19(p)	Access for all Ash Station funding	250		250	250		-	-	-	-	-	-	-	-	-	-
P21(p)	Ash Road Bridge	18,440		8,440	18,440		-	18,440	-	-	-	-	18,440	18,440	(18,440)	-
P21(p)	Ash Road Footbridge	4,800			-		-	4,800					4,800	4,800	(4,800)	-
	Development Financial						-									
ED25(P)	Guildford Park new MSCP and infrastructure works	23,125	-	4,380	4,380	-	-	4,380	11,625	7,120	-	-	23,125	23,125	-	23,125
ED49(p)	Redevelop Midleton industrial estate	5,557	-	-	-	-	-	5,557	-	-	-	-	5,557	5,557	-	5,557
PL51(p)	Stoke Park - Home Farm Redevelopment	4,000	-	-	-	-	-	-	-	-	4,000	-	4,000	4,000	-	4,000
ED16(P)	Slyfield Area Regeneration Project (SARP) (GBC share)	59,083	-	-	-	-	-	-	17,321	41,762	-	-	59,083	59,083	(7,500)	51,583
ED38(P)	North Street development	29,590	-	-	-	-	-	29,590	-	-	-	-	29,590	29,590	-	29,590
HC4(p)	Bright Hill Development	13,500	-	180	180	-	180	500	5,000	7,000	820	-	13,320	13,500	-	13,500
P12(p)	Strategic property acquisitions	23,292	-	-	-	-	-	9,492	13,800	-	-	-	23,292	23,292	-	23,292

GENERAL FUND CAPITAL PROGRAMME - ESTIMATED EXPENDITURE 2019-20 to 2024-25

				2019-20												
Ref	**Directorate / Service Units Capital Schemes**	**Gross estimate approved by Executive**	**Cumulative spend at 31-03-19**	**Estimate approved by Council in February**	**Revised estimate**	**Expenditure at 06.01.2020**	**Projected exp est by project officer**	**2020-21 Est for year**	**2021-22 Est for year**	**2022-23 Est for year**	**2023-24 Est for year**	**2024-25 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)*	*(e)*	*(f)*	*(g)*	*(i)*	*(ii)*	*(iii)*	*(iv)*	*(v)*	*(h)*	*(b) to (g)=(i)*	*(j)*	*(i) - (j) = (k)*
		£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
NEW 4	Investment property acquisition	40,000	-	-	-	-	-	20,000	10,000	10,000	-	-	40,000	40,000	-	40,000
							-									
)PMENT/INCOME GENERATING/COST REDUCTION PROJECTS TOTAL		**291,289**	**-**	**14,730**	**24,730**	**-**	**710**	**115,269**	**73,447**	**96,793**	**4,820**	**-**	**290,329**	**291,039**	**(51,290)**	**239,749**
	PROVISIONAL SCHEMES - GRAND TOTALS	**312,993**	**38**	**17,126**	**27,496**	**-**	**2,189**	**123,201**	**74,572**	**97,835**	**5,662**	**500**	**301,770**	**303,997**	**(51,369)**	**252,628**

Agenda item number: 9
Appendix 5

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

Item No.	Projects & Sources of Funding	Approved gross estimate	Cumulative spend at 31-03-19	2019-20 Estimate approved by Council in February	Revised estimate	Expenditure at 06.01.2020	Projected exp est by project officer	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 Est for year	Future years est exp	Projected expenditure total
		(a) £000	(b) £000	(c) £000	£000	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000
	COMMUNITY DIRECTORATE													
	ENERGY PROJECTS per SALIX RESERVE:(PR220)			-		-	-	-					-	-
R-EN10	LED Lighting replacement	80	49	193	193	-	193	-	-	-	-	-	-	242
R-EN11	WRD energy reduction	70	-	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	-					-	164
R-EN12	PV/energy efficiency projects	100	2	-	98	-	98	-	-	-	-	-	-	100
R-EN13	Park Barn Day Centre - air source heat pump COMPLETE	143	100	-	-	10	10	-	-	-	-	-	-	110
R-EN14	SMP - air source heat pump	28	-	-	28	1	-	28	-	-	-	-	28	28
NEW 7	LED lighting	44	-	-	-		-	44	-	-	-	-	44	44
NEW 9	ASHP CAB	28	-	-	-	-	-	-	28	-	-	-	28	28
	ENERGY RESERVES TOTAL	**493**	**151**	**263**	**553**	**11**	**535**	**72**	**28**	**-**	**-**	**-**	**100**	**786**
	BUDGET PRESSURES RESERVE													
	Future Guildford implementation team	2,600		1,000	1,000	-	1,000	1,600	-	-	-	-	1,600	2,600
	BUDGET PRESSURES RESERVE TOTAL	**2,600**	**-**	**1,000**	**1,000**	**-**	**1,000**	**1,600**	**-**	**-**	**-**	**-**	**1,600**	**2,600**
	LABGI RESERVE													
	LABGI RESERVE TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FINANCE DIRECTORATE													
	INFORMATION TECHNOLOGY - IT Renewals Reserve (PR265) : approved annually													
	Hardware / software budget		-	527	527	-	527	500	500	500	-	-	1,500	2,027
R-IT1	Hardware	annual	annual	-	-	231	-	-	-	-	-	-	-	-
R-IT2	Software	annual	annual	-	-	-	-	-	-	-	-	-	-	-
	PAD					40							-	-
	ICT infrastructure improvements	1,375	1,345	-	30	207	30	-	-	-	-	-	-	1,375
R-IT3	IDOX Acolaid to Uniform	275		275	275		275		-	-	-	-	-	275
R-IT4	LCTS alternative	56		6	6		6	50		-	-	-	50	56
R-IT5	Future Guildford ICT	1,200		1,200	1,200		1,200		-	-	-	-	-	1,200
	IT RENEWALS RESERVE TOTAL	**2,906**	**1,345**	**2,008**	**2,038**	**479**	**2,038**	**550**	**500**	**500**	**-**	**-**	**1,550**	**4,933**
	ENVIRONMENT DIRECTORATE													
	SPECTRUM RESERVE													

Agenda item number: 9
Appendix 5

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

Item No.	Projects & Sources of Funding	Approved gross estimate (a) £000	Cumulative spend at 31-03-19 (b) £000	2019-20 Estimate approved by Council in February (c) £000	Revised estimate £000	Expenditure at 06.01.2020 (e) £000	Projected exp est by project officer (f) £000	2020-21 Est for year (i) £000	2021-22 Est for year (ii) £000	2022-23 Est for year (iii) £000	2023-24 Est for year (iv) £000	2024-25 Est for year (v) £000	Future years est exp (g) £000	Projected expenditure total (b)+(g) = (h) £000
R-S14	Spectrum schemes (to be agreed with Freedom Leisure)	700	168	450	532	-	532	-					-	700
	SPECTRUM RESERVE TOTAL	**700**	**168**	**450**	**532**	**-**	**532**	**-**	**-**	**-**	**-**	**-**	**-**	**700**
	CAR PARKS RESERVE													
R-CP1	Car parks - install/replace pay-on-foot equipment	1,170	240	860	930	-	930	-	-	-	-	-	-	1,170
	Car Parks - Lighting & Electrical improvements:													
R-CP13	- Castle, Farnham & York Rd Lighting	300	-	-	300	-	-	-	-	-	-	-	-	-
R-CP8	- Castle car park (PR000299) deck surfacing	325	144	175	181	107	113	-	-	-	-	-	-	257
R-CP18	- Deck Millbrook car park	2,000	-	1,000	1,000	-	-	1,000	1,000	-	-	-	2,000	2,000
R-CP14	Lift replacement (PR000293)	841	209	187	445	42	445	187	-	-	-	-	187	841
R-CP16	Bright Hill Barrier essential works (PR000425)	80	2	-	78	-	(0)	-	-	-	-	-	-	2
R-CP17	Leapale rd MSCP drainage (PR000433)	90	26	-	64	-	64	-	-	-	-	-	-	90
R-CP19	Structural works to MSCP	300	-	233	300	50	300	-	-	-	-	-	-	300
R-CP20	MSCP- Deck surface replacement & barriers	652		593	652	406	652	-	-	-	-	-	-	652
NEW 8	2020-21 schemes - TO BE SPLIT OUT	575		-	-	-	-	575	-	-	-	-	575	575
	CAR PARKS RESERVE TOTAL	**6,333**	**622**	**3,048**	**3,950**	**605**	**2,504**	**1,762**	**1,000**	**-**	**-**	**-**	**2,762**	**5,887**
	SPA RESERVE :													
	SPA schemes (various)	100	annual	-	151	-	151	-	-	-	-	-	-	151
R-SPA1	Chantry Woods					-	-						-	
R-SPA2	Effingham					-	-						-	
R-SPA3	Lakeside					-	-						-	
R-SPA4	Riverside					-	-						-	
R-SPA5	Parsonage					-	-						-	
	SPA RESERVE TOTAL	**100**	**-**	**-**	**151**	**-**	**151**	**-**	**-**	**-**	**-**	**-**	**-**	**151**
	GRAND TOTALS	**13,132**	**2,286**	**6,769**	**8,224**	**1,094**	**6,760**	**3,984**	**1,528**	**500**	**-**	**-**	**6,012**	**15,058**

Page 102

GENERAL FUND CAPITAL PROGRAMME - S106 ESTIMATED EXPENDITURE 2019-20 to 2024-25

Ref	Service Units / Capital Schemes	Approved gross estimate	Cumulative spend at 31-03-19	2019-20 Estimate approved by Council in February	Revised estimate	Expenditure at 06.01.2020	Projected exp est by project officer	2020-21 Est for year	2021-22 Est for year	2022-23 Est for year	2023-24 Est for year	2024-25 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) £000	(b) £000	(c) £000	(d)	(e) £000	(f) £000	(i) £000	(ii) £000	(iii) £000	(iv) £000	(v) £000	(g) £000	(b)+(g) = (h) £000	(i) £000	(h)-(i) = (j) £000	(k) *£000*
	APPROVED SCHEMES (fully funded from S106 contributions)																
	ENVIRONMENT DIRECTORATE																
	Operational Services																
S-OP3	Hayden Place CCTV - P92310	35	12		23	-	23							35	(35)		
	Parks and Leisure																
S-PL8	Baird Drive/Briars Playground Refurb	10	8	-	2	0	2	-	-	-	-	-	-	10	(10)	-	-
S-PL36	Gunpowder mills - signage, access and woodland imps	36	17	-	19	-	19	-	-	-	-	-	-	36	(36)	-	
S-PL38	Chantry Wood Campsite	36		36	36	-	36	-	-	-	-	-	-	36	(36)	-	
S-PL47	Fir Tree Garden	28	-	-	28	-	28	-	-	-	-	-	-	28	(28)	-	
S-PL54	Shalford Swift Tower (Art)	7			7	2	7							7	(7)	-	
S-PL55	Provision Play Area Tongham Recreation ground	36			36	36	36							36	(36)	-	
	ENVIRONMENT DIRECTORATE TOTAL	**187**	**25**	**36**	**150**	**38**	**150**	**-**	**-**	**-**	**-**	**-**	**-**	**153**	**(153)**	**-**	**-**
	APPROVED S106 SCHEMES TOTAL	**187**	**25**	**36**	**150**	**38**	**150**	**-**	**-**	**-**	**-**	**-**	**-**	**887**	**(887)**	**-**	**-**

Page 103

Agenda item number: 9
Appendix 6

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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 2018-19 have been audited.

1.3 **Funding assumptions:**

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

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

2.0 **Capital receipts - Balances (T01001)**	**2018-19 Actuals £000**	**2019-20 Budget £000**	**2019-20 Est Outturn £000**	**2020-21 Estimate £000**	**2021-22 Estimate £000**	**2022-23 Estimate £000**	**2023-24 Estimate £000**	**2024-25 Estimate £000**
Balance as at 1 April	0	0	40	0	0	0	0	0
Add estimated usable receipts in year	3,039	0	1,991	0	0	0	0	0
Less applied re funding of capital schemes	(3,000)	0	(2,031)	0	0	0	0	0
Balance after funding capital expenditure as at 31 March	**40**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Agenda item number: 9
Appendix 7

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

	2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
Estimated captial expenditure								
Main programme - approved	35,234	62,854	61,955	44,343	9,737	5,825	5,825	5,825
Main programme - provisional	15	17,126	2,189	123,201	74,572	97,835	5,662	500
s106	51	36	150	0	0	0	0	0
Reserves	2,371	6,769	6,760	3,984	1,528	500	0	0
GF Housing	0	0	0	0	0	0	0	0
Total estimated capital expenditure	**37,671**	**86,785**	**71,054**	**171,528**	**85,837**	**104,160**	**11,487**	**6,325**
To be funded by:								
Capital receipts *(per 2.above)*	(6,176)	0	(2,031)	0	0	0	0	0
Contributions	(1,673)	(19,681)	(11,654)	(41,368)	(7,550)	(5,500)	0	0
R.C.C.O. :								
Other reserves	(2,558)	(13,749)	(15,623)	(4,204)	(1,748)	(720)	0	0
	0	0	0	0	0	0	0	0
	(10,406)	(33,430)	(29,308)	(45,572)	(9,298)	(6,220)	0	0
Balance of funding to be met from (i) the Capital Reserve, and (ii) borrowing	(27,265)	(53,355)	(41,746)	(125,956)	(76,539)	(97,940)	(11,487)	(6,325)
Total funding required	**(37,671)**	**(86,785)**	**(71,054)**	**(171,528)**	**(85,837)**	**(104,160)**	**(11,487)**	**(6,325)**

Page 106

4.0 General Fund Capital Schemes Reserve (U01030)

	2018-19 Actuals £000	2019-20 Budget £000	2019-20 Est Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
Balance as at 1 April	1,641	0	894	0	0	0	0	0
Add: General Fund Revenue Budget variations	0	0	0	0	0	0	0	0
Contribution from revenue	894	0	0	0	0	0	0	0
	2,535	0	894	0	0	0	0	0
Less: Applied re funding of capital programme	(1,641)	0	(894)	0	0	0	0	0
Balance after funding capital expenditure etc.as at 31 March	**894**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Estimated shortfall at year-end to be funded from borrowing	**25,624**	**53,355**	**40,853**	**125,956**	**76,539**	**97,940**	**11,487**	**6,325**

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**	**2018-19 Actuals £000**	**2019-20 Budget £000**	**2019-20 Est Outturn £000**	**2020-21 Estimate £000**	**2021-22 Estimate £000**	**2022-23 Estimate £000**	**2023-24 Estimate £000**	**2024-25 Estimate £000**
	Balance as at 1 April (T01008)	12,760	6,760	9,559	0	0	0	0	0
Add:	Estimated receipts in year	0	0	0	0	0	0	0	0
Less:	Applied re Housing (General Fund) capital programme	0	0	0	0	0	0	0	0
Less:	Applied re Housing company	(3,201)	(6,760)	(7,299)	0	0	0	0	0
		9,559	0	2,260	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	**9,559**	**0**	**2,260**	**0**	**0**	**0**	**0**	**0**

5.1	**Housing capital receipts (post 2013-14) - estimated availal availability/usage for Housing, Affordable Housing and Regeneration projects only (statutory (impact CFR))**	**2018-19 Actuals £000**	**2019-20 Budget £000**	**2019-20 Est Outturn £000**	**2020-21 Estimate £000**	**2021-22 Estimate £000**	**2022-23 Estimate £000**	**2023-24 Estimate £000**	**2024-25 Estimate £000**
	Balance as at 1 April (T01012)	422	0	0	0	0	0	0	0
Add:	Estimated receipts in year	898	289	286	289	292	295	298	301
Less:	Applied re Housing (General Fund) capital programme	(14)	(220)	(100)	(220)	(220)	(220)	(220)	(220)
Less:	Applied re Housing Improvement programme	(1,306)	(69)	(186)	(69)	(72)	(75)	(78)	(81)
		0	0	0	0	0	0	0	0
Less:	Applied on regeneration schemes	0	0	0	0	0	0	0	0
	Housing receipts - estimated balance in hand	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

		2018-19	2019-20 Budget	2019-20 Est Outturn	2020-21	2021-22	2022-23	2023-24	2024-25	**Total £'000s**
6.1	Estimated annual borrowing requirement	**25,624**	**53,355**	**40,853**	**125,956**	**76,539**	**97,940**	**11,487**	**6,325**	**359,099**
	Bids for funding (net)		0	0	0	0	0	0	0	0
	Total estimated borrowing requirement if all bids on Appendix 1 appro		**53,355**	**40,853**	**125,956**	**76,539**	**97,940**	**11,487**	**6,325**	**359,099**

Page 107

Agenda item number: 9
Appendix 7

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Capital vision items

Ref	Project	Verto ref	Date entered on Verto	Date Verto 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 Substainable Movement Corridor					2024-2029	10,000,000	5,000,000	1,250,000	#######	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)
P6(p)	Guildford Riverside Phase 2&3					unknown	2,400,000					
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 £50
	Income											
CVi1	Slyfield area regeneration project					2024-25	(20,545,000)				(20,545,000)	
CVi1	Slyfield area regeneration project					2025-26	(20,545,000)				(20,545,000)	
CVi1	Slyfield area regeneration project					2027-28 thru 2034-35	(137,572,200)				(137,572,200)	
CVi2	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

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

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

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

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

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

Money Market Code Principles

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

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

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

Ethics

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

Governance and Risk Management

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

Information Sharing, Confidentiality and Communications

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

Execution, Surveillance, Confirmations and Settlement

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

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Arlingclose Economic & Interest Rate Forecast November 2019

Underlying assumptions:

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.

- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.

- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitionary period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.

- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.

- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.

- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.

- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.

- Arlingclose judges that the risks are weighted to the downside.

- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.

- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	**0.21**
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	**-0.73**
3-month money market rate														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	**0.25**
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	**-0.73**
1yr money market rate														
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	**0.23**
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	**-0.60**
5yr gilt yield														
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	**0.37**
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
Downside risk	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	**-0.56**
10yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	**0.37**
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
Downside risk	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	**-0.45**
20yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	**0.37**
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	**-0.45**
50yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	**0.37**
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	**-0.45**

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Credit Rating Equivalents and Definitions

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

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

Glossary

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

Arlingclose – the Council's treasury management advisors

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

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

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

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

Bank Rate – the Bank of England base rate

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

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

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

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

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

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

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

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

CLG – Department for Communities and Local Government

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

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

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

Counterparty – the organisation the Council is investing with

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

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

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

Creditworthiness – a measure of the ability to meet debt obligations

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

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

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

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

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

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

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

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

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

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

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

Housing Grants – see Affordable Housing Grants

Illiquid – cannot be easily converted into cash

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

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

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

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

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

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

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

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

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

Money Market - the market in which institutions borrow and lend

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

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

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

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

Money Market Rates – interest rates on money market investments

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

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

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

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

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

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

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

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

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

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

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

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

Sovereign – the countries the Council are able to invest in

Specified Investments - Specified investments are defined as:

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

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

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

SWAP Bid – a benchmark interest rate used by institutions

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

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

Treasurynet – the Council's cash management system

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

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

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

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

Counci Report

Report of Director of Service Delivery

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Date: 5 February 2020

Housing Revenue Account 2020-21 Budget

Executive Summary

The report outlines the proposed Housing Revenue Account (HRA) budget for 2020-21.

The 2020-21 estimates are predicated on the assumptions, ambitions and priorities contained in the HRA business plan.

It is proposed to increase Council house rents by 2.7% in line with the Rent Standard 2020 (issued by the Regulator of Social Housing) and the Policy Statement for Rents on Social Housing (Issued by The Ministry of Housing, Communities and Local Government).

A 2.7% increase in garage rents is also proposed from April 2020, based on the September 2019 Consumer Price Index (CPI) plus 1%.

The report sets out progress with the new build programme, together with the proposed investment programme in tenants' homes.

This report has also been considered by the Joint Executive Advisory Board at its meeting on 9 January 2020. The Board indicated its agreement with the recommendations both to the Executive and Council.

At its meeting held on 21 January 2020, the Executive considered this report and resolved that, subject to Council approving the budget on 5 February 2020:

(1) The projects forming the HRA major repairs and improvement programme, as set out in **Appendix 3** to this report, be approved.

(2) The Director of Service Delivery be authorised, in consultation with the Lead Councillor for Housing/Access and Disability, to reallocate funding between approved schemes to make best use of the available resources.

(3) The Director of Service Delivery be authorised, in consultation with the Lead Councillor for Housing/Access and Disability to set rents for new developments.

The Executive also endorsed the recommendation to Council below:

Recommendation to Council:

(1) That the HRA revenue budget, as set out in **Appendix 1** to this report, be approved.

(2) That the 2.7% rent increase in line with the Rent Standard 2020 and Policy Statement 2019 be approved.

(3) That the fees and charges for HRA services, as set out in **Appendix 2** to this report, be approved.

(4) That a 2.7% increase in garage rents be approved.

(5) That the Housing Investment Programme as shown in **Appendix 4** (current approved and provisional schemes), as may be approved by the Executive at its meeting on 21 January 2020, be approved.

Reasons for Recommendation:
To enable the Council to set the rent charges for HRA property and associated fees and charges, along with authorising the necessary revenue and capital expenditure to implement a budget consistent with the objectives outlined in the HRA Business Plan.

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

1. Purpose of Report

1.1 This report sets out a draft budget for the Housing Revenue Account (HRA) for 2020- 21 and makes recommendations to the Executive on both the HRA revenue and capital programme budgets**.**

2. Corporate Plan

2.1 Through the provision of new homes and supporting the less advantaged, this budget delivers on the Place-making and Community themes of our Corporate Plan.

3. Background

3.1 The self-financing arrangements introduced in 2012 enabled the Council to manage its social housing service in the broadest sense. The Housing Revenue Account Business Plan sets the framework upon which the revenue budget and proposed Housing Investment Programme are prepared. This plan sets out our ambitions and priorities for the service.

3.2 The resources available following the move to self-financing gives the Council the opportunity to be strategic in its approach to its housing stock. It is now possible to not only consider the existing housing stock, but also wider issues such as community development, improving the environment and the need to build new council homes to address the increasing demand for affordable housing.

3.3 The Business Plan not only concentrates on the financial related strategy and objectives, but also the service priorities of the Council's Landlord function to its tenants and leaseholders. The longer-term perspective is crucial to ensure that the service and its primary assets, the housing stock, are fit for purpose for the whole period of the plan and beyond.

3.4 The impact of welfare reform through the introduction of Universal Credit as currently structured remains a concern. However, to date, through the pro-active support we provide to tenants the impact has been mitigated.

3.5 Housing is fundamental to an individual's health and wellbeing. The HRA operates within an increasingly stressed public sector financial environment and we see the impact daily. The intervention threshold for mental health and social services have steadily increased. We are having to attempt to manage the consequences on both tenants and neighbourhoods, which is proving increasingly challenging.

4. Potential Pressures

4.1 As mentioned, the impact of social and healthcare services on tenants is increasingly evident. The cost of managing tenancies is likely to see upward pressure as we are forced to deal with situations we are less well equipped to manage.

4.2 The funding framework available to meet the cost of supported housing remains fragile. 2018-19 saw the Supporting People Grant reduce by £205,640 and further reductions are possible in future years. However, Surrey County Council have indicated that funding for 2020-21 will remain at 2019-20 levels.

4.3 The Homeless Reduction Act 2017 has placed greater obligations on the Council. This is coinciding with a steady rise in the number of households at risk. Many of those at greatest risk have not only housing issues but a range of complex needs. Together they are placing greater demands on the Housing Service that in turn flows through to the teams managing our properties.

4.4 The wider social housing sector is becoming increasingly commercial. Some housing associations are focusing on minimising risk by being very selective on who they will house. We are fortunate in having a retained stock, which gives us greater flexibility in helping those in housing need. It however creates a cost pressure.

4.5 The estimates, consistent with the business plan, continue to attach a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement, reflecting the Council's determination to provide new additional affordable homes.

5. HRA Revenue Budget 2020-21

Assumptions

5.1 The total HRA debt stands at £197 million. It is projected that the interest charge for 2020-21 will be £5,058,423. No provision is included in the budget for the repayment of debt during 2020-21 in line with the Executive's decision that debt repayment is not a priority.

5.2 The revenue budget for 2020-21 is predicated around a number of key assumptions. The most important are set out in the table below:

Item	Assumption
Opening stock	5,207 units of accommodation
HRA Debt	£197 million
Average cost of capital	3.16%
Rent increase	2.7%
Garage income increase	2.7%
Bad debt provision contribution 2020-21	£100,000
Void rate	1.6%
Service charge increases	Linked to contractual arrangements of suppliers
Housing units lost through Right to Buy (RTB)	15 per annum
Retained receipts	Held in reserves
HRA ring fence	Policy of strong ring fence continues
Debt repayment	No provision made for repayment of debt
Operating balance	£2.5 million

Summary of Revenue Account Budget 2020-21

5.3 The table below summarises the proposed 2020-21 revenue budget, which reflects our current Treasury Management Strategy – in effect an interest only mortgage rather than a repayment mortgage. The timing of debt repayment will largely be a treasury management decision taking into account the overarching objectives of the HRA Business Plan.

Expenditure	£
Management and maintenance	10,914,860
Interest payments	5,058,423
Depreciation	5,525,000
Contribution to reserves from surplus	11,016,237
Other items	277,647
	32,792,257
Income	
Rents – dwellings	(29,977,447)
Rents – other	(1,192,740)
Service charges	(1,102,640)
Supporting people funding	(107,870)
Miscellaneous income	(411,560)
	(32,792,257)

5.4 Based on the assumptions detailed in paragraph 5.2, the HRA will have an operating surplus of £11.016 million for 2020-21 (£11,009 million 2019-20). The size of the surplus reflects a number of factors:

- the prevailing borrowing rate
- the decision not to make debt repayments
- the impact of historically high levels of investment in the stock over past years maintaining stock condition
- good income collection performance
- strong rental stream with many properties at or close to target rent levels

Expenditure

5.5 The main headings are summarised below:

Subjective Heading	**2019-20 Budget**	**2020-21 Budget**
	£	£
General Management	4,956,630	5,045,730
Responsive and planned maintenance	5,357,668	5,869,130
Interest payable	5,142,230	5,058,423
Depreciation	5,528,730	5,525,000
Cost of democracy	256,800	256,800

5.6 **General Management**: Budgeted expenditure on delivering HRA services is 1.8% above 2019-20 levels and includes elements such as the pay award and contractual increases for items such as computer software, grounds maintenance, and cleaning services.

5.7 **Repairs and maintenance:** Emphasis continues to be on planned rather than responsive maintenance, but as the budget provides for both planned and responsive repairs, an element of demand driven cost is inherent in the expenditure. The two previous financial years have seen an increase in void levels and the service continues to experience higher levels of repair costs in a large part due to voids. Whilst the service returns a property to use as soon as possible, void units typically incur additional repair and improvement expenditure in order to prepare them for subsequent tenants. The budget for repairs and maintenance has been increased to reflect the projected outturn for the current year (2019-20) inflated by 4.5%.

5.8 **Interest payable:** Approximately 75 per cent of the loan portfolio consists of fixed interest loans, whilst the remaining portfolio is on a variable rate arrangement. Though the variable rate loans are subject to prevailing market conditions it is likely that interest rates will remain low in the short to medium term. The table below sets out our current loan portfolio.

Loan Type	Principal	Remaining years	Rate
Variable	£45,000,000	3	0.88%
Fixed	£2,070,000	2	3.60%
Fixed	£10,000,000	5	2.70%
Fixed	£10,000,000	6	2.80%
Fixed	£10,000,000	7	2.92%
Fixed	£10,000,000	8	3.01%
Fixed	£25,000,000	10	3.15%
Fixed	£25,000,000	13	3.30%
Fixed	£25,000,000	18	3.44%
Fixed	£15,000,000	22	3.49%
Fixed	£17,435,000	23	3.50%

5.9 **Depreciation:** To safeguard future rental streams, we need to ensure our properties and assets are adequately maintained. This will involve the replacement of ageing components at the appropriate time.

In order to do so, it is important that we set aside adequate funds each year to meet future liabilities. The depreciation charge is one of the key mechanisms we use to do this. The proposed 2020-21 charge represents, in officers' view, a realistic amount having regard to the outcome of the stock condition survey. A charge of £5,525,000 is considered both appropriate and affordable.

Income

5.10 The table below shows a breakdown of the 2.7% rent increase in social and affordable rents. All tenants will see an increase in rent, with the increase ranging from £2.03 to £6.41 per week.

Rent increase per week	Number of Tenants	
	Social rents	Affordable rents
£2.00 - £2.50	1220	0
£2.50 - £3.00	1097	3
£3.00 - £3.50	2139	7
£3.50 - £4.00	450	19
£4.00 - £4.50	23	24
£4.50 - £5.00	1	23
£5.00 - £5.50	0	35
£5.50 - £6.00	0	10
£6.00 - £6.50	0	10

The table below shows average current rents by property size.

Property Size	Social Rent	Affordable Rent
1 bed unit	£92.81	£143.03
2 bed Unit	£110.66	£170.99
3 bed Unit	£125.60	£196.79

5.11 In the region of 2600 tenants will have the increase in rent covered by either Housing Benefit or Universal Credit, in full or in part.

5.12 Officers are proposing an increase in garage rents of 2.7% from April 2020.

Welfare Reform and Universal Credit

5.13 Universal Credit (UC) brings together a number of existing legacy benefits into a single monthly payment. The implementation of the full service for new claims of UC commenced in the Guildford area in October 2018.

The remaining existing claimants are due to migrate to UC from 2018-19 and this process will continue until 2022 when it is anticipated that all working age claimants will have transferred to UC.

5.14 Early indications are that some tenants do struggle under Universal Credit either to manage their financial affairs or to engage with the new system. However, through a proactive and supportive approach, the Rents team have been able to mitigate the impact. The changes, coupled with the general economic situation remains challenging for our more vulnerable tenants.

The use of predictive analytical software has allowed us to reallocate resources to support tenants on UC. The introduction of a flexible direct debit scheme and the mobile Payment App has helped tenants more easily manage their financial affairs under the new benefit system.

Collection costs and arrears have tended to increase across the sector but to varying degrees. It is likely we see this as the numbers on UC increase.

5.15 A provision for bad debt charge of £100,000 is included in the estimates. This charge will remain under review and the actual contribution to the bad debt allowance at year-end will be calculated with reference to the level of arrears.

Right to Buy sales (RTB)

5.16 RTB activity remained steady during 2019-20.

5.17 The table below outlines activity as at December 2019.

Activity	Number
Properties sold since 1 April 2019	10
Applications being processed	47
Projected disposals 2020-21	15

5.18 Under the government's one-for-one replacement scheme, we are able to retain the majority of the capital receipt provided it is re-invested in additional affordable housing or regeneration schemes within three years. Only a third of the cost of a development can be financed from this source - we must finance the balance from capital receipts or other sources including reserves accruing from the appropriation of revenue account surpluses.

It is proving challenging to align our development programme spend within the time constraints imposed by the Government. However we are taking the opportunity to increase the stock through a selective repurchase programme and supporting regeneration projects that will deliver more homes.

5.19 Increasing sales has three negative impacts. It:

- reduces the number of affordable homes
- removes the long-term positive contribution each property makes to our operating costs
- increases the unit costs of managing and maintaining properties. Invariably tenants buy the better properties.

6. HRA Capital Programme and Reserves

6.1 Currently, there are four potential strands forming our HRA capital programme under the self-financing regime. In the past, not all have been viable options but that position has changed. The four strands are:

- replacing ageing components such as roofs and kitchens
- improving and enhancing existing properties – for example, installing double glazing
- stock rationalisation – the project at Westborough being the most recent example
- expansion – the provision of new additional affordable homes.

6.2 The funding sources enabling us to deliver a capital programme are as follows:

- HRA rental stream
- Capital receipts generated from the disposal of HRA assets including land
- HRA reserves
- HRA borrowing

6.3 The HRA has built up significant revenue reserves and as at 31 March 2020 are estimated to be in the region of £99 million – excluding capital receipts. These can be used for specific HRA related purposes. It is proposed that these reserves are set aside to support the major repairs and improvements and new build programme. The HRA also has usable capital receipts, generated from the sale of HRA land and housing assets. The balance of useable capital receipts is estimated to be £14.16 million as at 31 March 2020. These funds can only be used to support capital expenditure.

6.4 The table below shows the available reserves that can support the HRA Business Plan and they reflect only the schemes currently included in programme, and the decision not to repay debt. The table will be updated to include the proposed investment programme such bids as may be approved by the Executive at its meeting on 21 January 2020. The contribution into the reserve for future capital programmes is maintained.

Year ending	Reserve for future capital works	Major repairs reserve	New Build Reserve	**Total**	Usable capital receipts	Usable Capital Receipts (one-for-one receipts) 1	Usable Capital Receipts (HRA debt repayment)	**Total usable capital receipts**	**Total reserves/ receipts**
	£000	£000	£000	**£000**	£000	£000	£000	**£000**	**£000**
Mar-20	35,829	8,526	54,634	**98,989**	2,260	7,657	4,243	**14,160**	**113,148**
Mar-21	38,329	8,526	50,570	**97,424**	2,260	4,922	4,904	**12,085**	**109,509**
Mar-22	40,829	8,526	42,213	**91,567**	2,260	550	5,587	**8,396**	**99,964**
Mar-23	43,329	8,526	44,506	**96,361**	2,260	547	6,292	**9,098**	**105,459**
Mar-24	45,829	8,526	48,054	**102,409**	2,260	1,085	7,020	**10,365**	**112,774**
Mar-25	48,329	8,526	56,453	**113,308**	2,260	3,683	7,772	**13,714**	**127,022**

Potential reserve commitments - Illustrative example	
Potential repayment of variable rate loan	**45,000**
Cumulative reserve balance	**82,022**

6.5 Looking ahead, the Weyside Urban Village Project offers a unique opportunity to deliver significant additional affordable homes. If we assume a provision of 40% affordable housing in the project, an investment of at least £120 million will be required to make this a reality. Our current financial position places us in a good position to make a significant contribution to this element of the project, not only to deliver the new homes but ensure they are well maintained and managed.

6.6 The anticipated level of reserves needs to be balanced against a rapidly changing financial and legislative environment but the ability to profile expenditure using the flexibility that borrowing provides is welcomed.

6.7 The business plan is most sensitive to the following assumptions:

- income trends
- legislative changes
- inflation rates
- cost of debt
- capital investment
- right-to-buy sales

6.8 **Development Projects:** In the last 4 years, the HRA has invested over £21 million and delivered 128 new homes for our local residents. An update of our current development projects is set out below.

6.9 **Bright Hill (Ward: Holy Trinity** – the site held by the HRA is used as a temporary car park which supplemented parking provision during the construction of Tunsgate Square, a new retail led development. It is a challenging site in terms of location, topography and the relationship with surrounding properties.

Concept designs are being developed to inform the scope of the project on the basis of a mixed tenure scheme. A further report will be presented to the Executive once these are available.

6.10 **Guildford Park (Ward: Onslow) –** the enabling works contract is underway with significant retaining structures nearing completion along with major service diversions. A framework contractor is being procured to finalise the design with the aim of starting construction during Spring 2021. An allocation on the approved programme of £1 million from the HRA is proposed to fund its share of design and enabling works A further report will shortly be considered by the Executive (the general fund provisional programme includes £23 million in respect of this project).

6.11 **Former Apple Tree Pub Site (Ward: Westborough)** – The new development, named 'The Orchard', was completed in Summer 2019.

6.12 **Ladymead (Ward: Friary & St Nicolas) –** The new development, named 'Siren House', was completed in November 2019.

6.13 **Foxburrows (Ward: Westborough)** – Initial design work and consultation with affected residents is now underway. This work will inform any decision around the scope and extent of the scheme. An allocation on the approved HRA programme is proposed of £150,000 to fund some tenant decant costs should it be decided to proceed with the project. Additional funds will be required in due course, but this allocation provides some additional flexibility that maybe needed at this stage in the project.

6.14 We have a number of other sites under active consideration, some of which involve third parties. A global budget of £10 million is already on the approved programme to provide the necessary flexibility. A further budget of £10 million is already on the approved programme for the acquisition of land and property. Experience has shown that the market requires a very quick response to any opportunities. This provision ensures the Council is in a position to move very quickly should any suitable opportunities arise.

6.15 The constitution already makes provision, through a delegation to the Director of Service Delivery in consultation with key Councillors and officers, to allow decisions to be taken quickly but with appropriate governance safeguards in place.

6.16 **Existing housing stock:** Based on an analysis of our stock condition data and the detailed knowledge the Property Manager has of the stock, a proposed investment programme is set out in Appendix 4. The proposed programme reflects earlier years with a continual focus on improved energy efficiency reflecting the impact of rising fuel prices. Schemes completed during 2019-20, including the installation of air-source heat pumps, have resulted in better comfort levels at reduced cost and impact on the environment. This approach is best suited to previously electrically heated dwellings.

6.16 Authority is sought to transfer the equity share repurchase and cash incentives schemes for 2020-21 currently shown on the provisional capital scheme list of Appendix 4 to the approved programme list.

7. Robustness of the Budget and Adequacy of Reserves

7.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the budget and adequacy of the proposed financial reserves.

7.2 The budget process started in July 2019. Paragraph 5.2 details the assumptions used in the preparation of the 2020-21 budget.

7.3 Staffing costs have been included based on the Full Time Equivalents (FTEs) included in the approved establishment of 66.47.

7.4 Throughout the budget process the Corporate Management Team, the Leader and relevant lead councillors have been involved in what is considered to be a deliverable budget.

7.5 A prudent assessment of income has been made and only income that has a high level of certainty of being received is included within the budget. The 2020-21 budget includes a contribution to the bad debt provision of £100,000. This provision reflects the economic climate and continuing welfare reform changes. The level of operating balance remains unchanged at £2.5 million.

7.6 Surrey County Council funding in respect of Sheltered Housing services was removed from the budget for 2018-19. The 2020-21 budget assumes a continuation of grant funding for supported housing of £92,640.

7.7 Service level risk assessments have been undertaken for both existing major areas of the budget and changes arising from the self-financing regime and legislative changes.

7.8 The corporate risks will be included in the corporate risk register, whilst service risk registers are prepared having regard to the comprehensive guidance available about how to identify and score risks.

7.9 The overarching HRA business plan reflects the changing financial environment in which it needs to operate and to ensure the business plan remains fit for purpose. The HRA will continue to need to balance tenant needs and expectations in the context of its financial situation.

7.10 The value of all housing related reserves as at 1 April 2020 is projected to be around £113 million. The estimated value of all HRA reserves for the period up to 31 March 2025 is shown in paragraph 6.4. The HRA has a significant level of reserves and working balance but has spending ambitions to match.

8. Legal Implications

8.1 The HRA is a separate account that all local authorities with housing stock are required to maintain. This account contains all transactions relating to local authority owned housing.

The Local Government and Housing Act 1989 prohibits the Council operating its HRA at a deficit. The proposed balanced budget meets this obligation.

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

9. Human Resource Implications

9.1 The Future Guildford transformation project in now underway. The estimated staff savings have been included in the budget for 2020-21.

10. Conclusion

10.1 The proposed HRA revenue budget not only meets our obligation to deliver a balanced budget but also delivers opportunities to improve services to tenants. It also enables the Council to provide new affordable homes at a time when access to housing is increasingly difficult.

10.2 The proposed HRA capital programme sets out to maintain and improve our existing assets. It is essential we do so, not only to meet our regulatory obligations but also to safeguard future income streams.

11. Background Papers

HRA Business Plan 2019-2049

12. Appendices

Appendix 1: Draft HRA Revenue Budget
Appendix 2: HRA Fees and Charges
Appendix 3: HRA Investment Programme (Major repairs and improvements)
Appendix 4: Housing investment programme, resources and funding statement

Housing Revenue Account Summary - Draft Estimates 2020-21 **APPENDIX 1**

2017-18 Actual £	2018-19 Actual £	Analysis	2019-20 Estimate £	2019-20 Probable £	2020-21 Estimate £
		Borough Housing Services			
613,565	738,104	Income Collection	682,940	688,897	689,870
948,978	1,036,217	Tenants Services	938,680	936,632	889,510
64,128	81,030	Tenant Participation	148,270	112,418	148,900
68,808	69,865	Garage Management	101,340	97,182	101,700
64,083	59,064	Elderly Persons Dwellings	66,740	67,763	75,280
524,075	584,036	Flats Communal Services	432,530	518,947	513,530
432,181	423,867	Environmental Works to Estates	482,000	424,826	444,460
5,523,575	5,676,678	Responsive & Planned Maintenance	5,357,668	5,654,986	5,869,130
120,028	121,665	Sale of Council Houses & Equity Share	141,950	131,809	139,820
8,359,422	**8,790,527**		**8,352,118**	**8,633,462**	**8,872,200**
		Strategic Housing Services			
360,623	419,543	Advice, Registers & Tenant Selection	360,450	340,978	366,800
210,368	217,026	Void Property Management & Lettings	210,010	186,837	212,290
9,142	9,700	Homelessness Hostels Management	5,120	5,120	5,120
142,418	155,194	Supported Housing Management	163,210	162,185	160,740
392,915	426,311	Strategic Support	380,990	357,476	382,440
1,115,468	**1,227,774**		**1,119,780**	**1,052,597**	**1,127,390**
		Community Services			
911,190	938,878	Sheltered Housing	842,400	871,867	915,270
		Other Items			
5,528,728	5,638,889	Depreciation	5,528,730	5,528,730	5,525,000
(44,323)	(45,515)	Impairment	0	0	0
165,468	163,276	Debt Management	160,590	160,590	150,000
0	0	Rent Rebates	0	0	0
280,328	343,578	Other Items	632,390	382,312	402,387
16,316,281	**17,057,407**	**Total Expenditure**	**16,636,008**	**16,629,557**	**16,992,247**
(32,623,860)	(31,991,396)	Income	(32,445,282)	(32,419,245)	(32,792,257)
(16,307,579)	**(14,933,989)**	**Net Cost of Services(per inc & exp a/c)**	**(15,809,274)**	**(15,789,688)**	**(15,800,010)**
264,207	**258,720**	HRA share of CDC	**256,800**	**251,530**	**256,800**
(16,043,372)	**(14,675,269)**	**Net Cost of HRA Services**	**(15,552,474)**	**(15,538,158)**	**(15,543,210)**
(384,996)	(456,206)	Investment Income	(598,260)	(598,260)	(531,540)
5,004,072	5,159,240	Interest Payable	5,142,230	5,131,995	5,058,423
(11,424,296)	**(9,972,235)**	**Deficit for Year on HRA Services**	**(11,008,504)**	**(11,004,423)**	**(11,016,327)**
627,309	0	REFCUS - Revenue expenditure funded from capital	75,000	75,000	75,000
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000	2,500,000
7,563,162	7,849,699	Contrib to/(Use of) New Build Reserve	8,433,504	8,429,423	8,441,237
0	(421,229)	CERA - Capital Expenditure from Revenue	0	0	0
309,017	0	Tfr (fr) to Pensions Reserve	0	0	0
640,110	0	Tfr (from)/to CAA re: Voluntary Revenue Provision	0	0	0
71,504	76,058	Tfr (from)/to CAA re: Impairment/Revaluation	0	0	0
(627,309)	0	Tfr (from)/to CAA re: REFCUS	0	0	0
(27,181)	(30,543)	Tfr (from)/to CAA re: Intangible assets	0	0	0
(9,000)	(1,750)	Tfr (from)/to CAA re: rev. inc. from sale of asset	0	0	0
(376,685)	**(0)**	**HRA Balance**	**(0)**	**0**	**(90)**
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
(2,876,685)	**(2,500,000)**	**Balance Carried Forward**	**(2,500,000)**	**(2,500,000)**	**(2,500,090)**

2016-17 Actual £	2017-18 Actual £	Analysis	2019-20 Estimate £	2018-19 Probable £	2019-20 Estimate £
		Income			
(29,850,855)	(29,236,342)	Rent Income - Dwellings	(29,736,103)	(29,662,305)	(29,977,447)
(213,964)	(208,349)	Rent Income - Rosebery Hsg Assoc	(209,980)	(209,980)	(208,350)
(194,263)	(206,530)	Rents - Shops, Buildings etc	(194,300)	(221,172)	(224,650)
(677,827)	(718,083)	Rents - Garages	(739,774)	(756,971)	(759,740)
(30,936,909)	**(30,369,304)**	**Total Rent Income**	**(30,880,157)**	**(30,850,428)**	**(31,170,187)**
(345,764)	(140,122)	Supporting People Funding	(105,000)	(123,100)	(107,870)
(961,529)	(1,023,033)	Service Charges	(1,007,580)	(1,028,935)	(1,102,640)
(5,155)	(9,144)	Legal Fees Recovered	(28,840)	(28,840)	(28,840)
(40,025)	(51,614)	Service Charges Recovered	(40,000)	(50,000)	(55,000)
(334,477)	(398,179)	Miscellaneous Income	(383,705)	(337,941)	(327,720)
(32,623,860)	**(31,991,396)**	**Total Income**	**(32,445,282)**	**(32,419,245)**	**(32,792,257)**

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Housing Revenue Account - Fees and Charges 2020-21		2019-20	2020-21	APPENDIX 2
		2019-20	2020-21	Increase
		£	£	
		From 1 April 2019	From 1 April 2020	%
To be approved by Council				
Sheltered Units				
Guest Room Fees (per night);				
Dray Court		19.05	19.65	3.1%
Japonica Court		20.75	21.40	3.1%
St Martin's Court		23.35	24.05	3.0%
St Martha's Court		23.05	23.75	3.0%
Tarragon Court		22.50	23.20	3.1%
Millmead Court		20.00	20.60	3.0%
Function Room Hire				
Voluntary /Charity Organisations	- Per Hour	13.90	14.30	2.9%
	- Per Day	69.00	71.05	3.0%
Education/Social Services	- Per Hour	16.50	17.00	3.0%
	- Per Day	103.00	106.10	3.0%
Social/Private Hire	- Per Hour	20.75	21.35	2.9%
	- Per Day	110.75	114.00	2.9%
Service charge (per week):				
Dray Court	To follow	59.20	0.00	-100.0%
Japonica Court	To follow	65.20	0.00	-100.0%
St Martha's Court	To follow	64.48	0.00	-100.0%
Millmead Court	To follow	53.78	0.00	-100.0%
St Martin's Court	To follow	61.33	0.00	-100.0%
Tarragon Court	To follow	54.09	0.00	-100.0%
Friary House (61 flats)				
Heating, Electricity, Cleaning, Caretaking and Security Services (per week)		16.81	17.08	1.6%
Garages (on Housing Estates) (*VAT is applied at the standard rate on private lets only)*				
High demand area (non residents) (per week)		19.65	20.18	2.7%
High demand area (per week)		11.95	12.27	2.7%
Elsewhere (per week)		9.82	10.09	2.7%
Castle Cliffe				
Gas and Electricity Charges (per week)		12.10	13.04	7.8%
Malthouse Court				
Gas and Electricity Charges (per week)		9.79	11.58	18.3%
Pound Court				
Electricity; Grounds Maintenance (per week)		6.62	5.24	-20.8%
Flats				
Where cleaning provided to communal areas;				
Sandmore (Laundry and Communal Facilities, per week)		4.37	4.84	10.8%
Decorating charge *(Note: charge is per room)*		1.63	1.68	3.1%
Supported Housing				
Service charge per week:				
William Swayne House:				
- Self Contained bedsits	To follow	111.41	0.00	-100.0%
- Self Contained flat	To follow	113.62	0.00	-100.0%
William Swayne Place	To follow	43.63	0.00	-100.0%
Dene Road	To follow	69.30	0.00	-100.0%
79 York Road	To follow	39.13	0.00	-100.0%
Caxtons	To follow	60.49	0.00	-100.0%
Dene Court	To follow	81.27	0.00	-100.0%
Sold Flats Service Charges - Solicitors' Enquiry				
Sales/purchases		136.50	140.60	3.0%
Remortgages		70.20	72.30	3.0%
Sold Flats Service Charge Management Fee		178.50	183.90	3.0%
Consent Fees				
Consent - Application in Advance		106.00	109.20	3.0%
Consent - Retrospective Application		181.00	186.50	3.0%

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2020-21 Asset Management Plan – Major Investments

Category	Project	Estimate
Schemes		£
Retentions & Minor carry-forward	Retentions due together with minor carry forward from projects in progress up to 31 March 2019.	40,000
Modern Homes		
Kitchens and bathrooms *Various locations*	Provision of modern kitchens, bathrooms and electrical upgrades.	1,300,000
Void Properties *Various locations*	Refurbishment of individual properties to enable them to be relet	600,000
Structural		
Repairs associated with structural movement. *Various locations*	Structural works to various properties, including structural investigation and remedial works	200,000
Doors & Windows		
Replacement of external doors *Various locations*	Replacement of external entrance doors	100,000
Windows		
Replacement of windows *St Marthas Court, Chilworth*	Renewal or replacement windows where existing are single glazed and/or beyond normal operational maintenance	200,000
Roof Renewal		
Pitched roof replacement *Broomfield, Park Barn*	Roof renewal to address failing roof coverings and associated construction details including chimneys, fascias, soffits & above ground rainwater drainage	75,000
Replacement of asbestos soffits including fascias, and rainwater goods *Hornhatch, Chilworth and Park Barn*	Removal of asbestos boarding at roofline to 16 blocks of flats which has prohibited cyclical decoration programme. Roofs are in reasonable condition and do not need to be renewed.	250,000

Category	Project	Estimate
External Wall Insulation		
External wall insulation to solid wall properties *Guildford Park, Guildford*	Provision of external wall insulation to solid wall properties to address poor thermal insulation	150,000
Mechanical & Electrical		
Central heating boiler upgrades. *Various locations*	Upgrading existing central heating installations with high efficiency systems	250,000
Domestic Air Source Heat Pump installations *Various locations.*	Replace old electric heating systems with high efficiency air source heat pump wet central heating systems	750,000
Warden Call System *Dene Road, Guildford*	Installation of new Warden Call System with Door entry	10,000
Lift refurbishment. *Bedford House, Guildford*	Continuation of phased programme to replace obsolete lift controllers	30,000
Lift refurbishment *Japonica Court*, Ash	Continuation of lift replacement programme	300,000
Lift replacement *St Marthas Court, Chilworth*	Secondary lift provision - stairlifts in phased programme of 2 per year, total 6	10,000
General		
Continuing programme of garage forecourt resurfacing	Resurface garage forecourt areas to garage blocks where existing surface is in poor condition – continuation of planned programme according to identified priority	100,000
Condition Appraisals	Annual programme of condition appraisal surveys	50,000
Fire protection works	Prioritised non-urgent remedial works comprising Containment, Doors, Smoke Detectors, Signage	200,000
Mobility Scooter and improved access to various sheltered blocks	Millmead Court, Dray Court, Japonica Court, St Marthas Court - combination of using vacant rooms and charging enclosures	150,000

Category	Project	Estimate
Condition Appraisal works	Prioritised repair plus non-urgent remedial works recommended by Condition appraisal assessment	100,000
Environmental improvements	General environmental improvements at sites to be agreed. All subject to resident consultation.	50,000
Disabled adaptations *Various locations*	Works to alter, adapt Council owned dwellings for the benefit of people with disability.	650,000
Software systems	Provision to upgrade essential business software	30,000
Programme support.	Programme support & development to support HRA Business Plan	40,000
	Total	**5,635,000**

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GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2019-20 to 2024-25: HRA APPROVED PROGRAMME

APPENDIX 4

	Project Budget £000	2018-19 Actual £000	Project Spend at 31-03-19 £000	2019-20 Estimate £000	Carry Forward	Expenditure as at 02.12.19 £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,700	519	920	0	2,581	327	2,581	1,800	1,800	1,800	1,800	0	10,700
New Build													
Guildford Park	75	0	75	0	0	123	0	0	0	0	0	0	75
Appletree pub site	3,200	2,209	2,764	338	98	713	660	0	0	0	0	0	3,424
Slyfield Green (Corporation Club)	2,448	0	2,376	0	72	61	61	0	0	0	0	0	2,437
Willow Way	1,000	179	952	0	48	1	5	0	0	0	0	0	957
Garage sites-	2,500		0	0	189			0	0	0	0	0	0
Pond Meadow		62	562	0		9	38						600
Rowan Close		4	549	0		8	51						600
Great Goodwin Drive		431	945	0		57	55						1,000
The Homestead	500	327	756	0	0	4	44	0	0	0	0	0	800
Fire Station/Ladymead	2,000	643	643	1,196	136	1,083	1,332	25	0	0	0	0	2,000
Bright Hill	500	0	0	0	500	0	0	500	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000		0	0		0	0	0	0	0	0	1,000	1,000
Pipeline projects	9,425			575		42	150	2,250	3,325	1,825	1,875	0	9,425
Redevelopment bid 13	533			533		0	0	533					533
Redevelopment bid 14	300			300		0	50	250					300
Schemes to promote Home-Ownership													
Equity Share Re-purchases	annual	143	annual	400		0	400	400	400	400	400	400	annual
Major Repairs & Improvements													
Retentions & minor carry forwards	annual	0	annual	40		0	40	Provisional	Provisional	Provisional	Provisional	Provisional	annual
Modern Homes - Kitchens, Bathroons & Void refurb	annual	1,253	annual	1,050		1,084	1,346	Provisional	Provisional	Provisional	Provisional	Provisional	annual
Doors and Windows	annual	256	annual	525	0	10	505	Provisional	Provisional	Provisional	Provisional	Provisional	annual
Structural	annual	545	annual	400	300	105	614	Provisional	Provisional	Provisional	Provisional	Provisional	annual
Energy efficiency: Central heating/Lighting	annual	1,101	annual	1,530		458	1,266	Provisional	Provisional	Provisional	Provisional	Provisional	annual
General	annual	1,210	annual	1,605	776	955	2,466	Provisional	Provisional	Provisional	Provisional	Provisional	annual
Grants													
Cash Incentive Scheme	annual	0	annual	75		0	75						annual
TOTAL APPROVED SCHEMES	**34,181**	**8,883**	**10,540**	**8,567**	**4,700**	**5,040**	**11,739**	**5,758**	**5,525**	**4,025**	**4,075**	**1,400**	**34,350**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2019-20 to 2023-24: HRA PROVISIONAL PROGRAMME **APPENDIX 4**

	Project Budget £000	2018-19 Actual £000	Project Spend at 31-03-19 £000	2019-20 Estimate £000	Carry Forward	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	10,000	0	0	0	0	0	0	3,000	3,000	4,000	0	10,000
New Build												
Guildford Park	16,000	341	907	406	700	1,106	6,760	7,201	26	0	0	16,000
Bright Hill	3,000	0	0	0	0	0	1,500	1,500	0	0	0	3,000
Slyfield (25/26 £5m; 26/27 £44m)	1,000	0	0	0	0	0	0	0	1,000	0	0	1,000
Redevelopment bid 13	10,124	0	0	0	0		3,197	5,861	1,066	0	0	10,124
Redevelopment bid 14	3,000	0	0	0	0		1,000	1,500	500	0	0	3,000
Major Repairs & Improvements												
Major Repairs & Improvements	annual		annual	0	0	0	5,500	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual									annual
Modern Homes: Kitchens and bathrooms	annual		annual									annual
Doors and Windows	annual		annual									annual
Structural	annual		annual									annual
Energy efficiency: Central heating	annual		annual									annual
General	annual		annual									annual
Grants												
Cash Incentive Scheme	annual		annual	0	0	0	75	75	75	75	75	annual
Total Expenditure to be financed	**43,124**	**341**	**907**	**406**	**700**	**1,106**	**18,032**	**24,637**	**11,167**	**9,575**	**5,575**	**43,124**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2019-20 to 2024-25: HRA RESOURCES AND FUNDING STATEMENT

APPENDIX 4

	2018-19 Actual £000	2019-20 Estimate £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2023-24 Estimate £000	2024-25 Estimate £000
EXPENDITURE								
Approved programme	9,249	8,567	11,739	5,758	5,525	4,025	4,075	1,400
Provisional programme	0	406	1,106	18,032	24,637	11,167	9,575	5,575
Total Expenditure	**9,249**	**8,973**	**12,845**	**23,790**	**30,162**	**15,192**	**13,650**	**6,975**
FINANCING OF PROGRAMME								
Capital Receipts	1,306	400	400	400	400	400	400	400
1-4-1 recepits	1,465	1,004	1,840	5,345	7,256	2,765	2,303	300
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	0	0	0	0	0	0	0
Major Repairs Reserve	4,395	5,150	6,237	5,500	5,500	5,500	5,500	5,500
New Build Reserve	2,083	2,344	4,294	12,471	16,931	6,452	5,373	700
Grants and Contributions	0	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	**9,249**	**8,973**	**12,845**	**23,790**	**30,162**	**15,192**	**13,650**	**6,975**

RESERVES - BALANCES	2018-19 Actual £000	2019-20 Estimate £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2024-25 Estimate £000	2023-24 Estimate £000
Reserve for Future Capital Programme (U01035)								
Balance b/f	30,829	33,329	33,329	35,829	38,329	40,829	43,329	45,829
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	0	0	0	0	0
Balance c/f	**33,329**	**35,829**	**35,829**	**38,329**	**40,829**	**43,329**	**45,829**	**48,329**
Major Repairs Reserve (U01036)								
Balance b/f	7,991	9,598	9,234	8,526	8,526	8,526	8,526	8,526
Contribution in year	5,639	5,529	5,529	5,500	5,500	5,500	5,500	5,500
Used in Year	(4,395)	(5,150)	(6,237)	(5,500)	(5,500)	(5,500)	(5,500)	(5,500)
Balance c/f	**9,234**	**9,977**	**8,526**	**8,526**	**8,526**	**8,526**	**8,526**	**8,526**
New Build Reserve (U01069)								
Balance b/f	44,919	45,789	50,686	54,634	50,570	42,213	44,506	48,054
Contribution in year	7,850	8,241	8,241	8,406	8,574	8,746	8,921	9,099
Used in Year	(2,083)	(2,344)	(4,293)	(12,471)	(16,931)	(6,452)	(5,373)	(700)
Balance c/f	**50,686**	**51,686**	**54,634**	**50,570**	**42,213**	**44,506**	**48,054**	**56,453**
Usable Capital Receipts: 1-4-1 receipts (T01011)								
Balance b/f	7,093	6,141	6,968	7,657	4,922	550	547	1,085
Contribution in year	1,340	2,529	2,529	2,609	2,884	2,762	2,841	2,898
Used in Year	(1,465)	(1,004)	(1,840)	(5,345)	(7,256)	(2,765)	(2,303)	(300)
Balance c/f	**6,968**	**7,666**	**7,657**	**4,922**	**550**	**547**	**1,085**	**3,683**

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

	2018-19 Actual £000	2019-20 Estimate £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2024-25 Estimate £000	2023-24 Estimate £000
Usable Capital Receipts - HRA Debt Repayment (T01010)								
Balance b/f	3,867	4,158	3,952	4,243	4,904	5,587	6,292	7,020
Contribution in year	85	661	290	661	683	705	728	752
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	**3,952**	**4,819**	**4,243**	**4,904**	**5,587**	**6,292**	**7,020**	**7,772**

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

	2018-19 Actual £000	2019-20 Estimate £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2024-25 Estimate £000	2023-24 Estimate £000
Usable Capital Receipts - pre 2013-14 (T01008)								
Balance b/f	12,760	13,361	9,559	2,260	2,260	2,260	2,260	2,260
Contribution in year	0	0	0	0	0	0	0	0
Used in Year (HRA = above)	0	0	0	0	0	0	0	0
Used in Year (GF Housing Co)	(3,201)	(13,361)	(7,299)	0	0	0	0	0
Used in Year (GF Housing - DFG)	0	0	0	0	0	0	0	0
Balance c/f	**9,559**	**0**	**2,260**	**2,260**	**2,260**	**2,260**	**2,260**	**2,260**

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

	2018-19 Actual £000	2019-20 Estimate £000	2019-20 Projected Outturn £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	2024-25 Estimate £000	2023-24 Estimate £000
Usable Capital Receipts - post 2013-14 (T01012)								
Balance b/f	422	0	0	0	0	0	0	0
Contribution in year	898	289	286	289	292	295	298	298
Used in Year (HRA = above)	(1,306)	(69)	(186)	(69)	(72)	(75)	(78)	(475)
Used in Year (GF Housing)	(14)	(220)	(100)	(220)	(220)	(220)	(220)	(220)
Balance c/f	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(397)**

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

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Council Report
Wards affected: All
Report of Chief Finance Officer
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Date: 5 February 2020

Business planning – General Fund Budget 2020-21

Executive Summary

This report outlines the proposed budget for 2020-21, which includes a Council Tax requirement of £**10,192,858** and a Council Tax increase of £5 per year (3.00%), resulting in a Band D charge of £176.82. As set out in the report, the Council is required to set a balanced budget for 2020-21.

We received the provisional Local Government Finance Settlement (LGFS) for 2020-21 on 20 December 2019. The figures included in the outline budget presented reflect the information contained in the settlement.

The Settlement Funding Assessment (SFA) consists of the local share of business rates, and revenue support grant and is set out in the provisional LGFS. The settlement was in line with our expectation which enables us to retain £2.929m million of business rates in 2020-21 an increase of 1.6% on 2019-20.

In determining that our Core Spending Power has increased by £0.4m the Government has assumed that we will raise the Council Tax by the maximum amount (£5 or 3% whichever is the higher)

The Joint EAB Budget Task Group (JEABTG) and Joint Executive Advisory Board (JEAB) considered the outline budget at their meetings held respectively on 8 November and 20 November.

The Chief Finance Officer's statutory report is included at **Appendix 1.** This gives information about the strategic context within which our budget has been prepared, the medium term financial plan, the robustness of the estimates, adequacy of reserves and budget risks. **Appendix 4** details the financial risk register.

The financial monitoring report for the first eight months of 2019-20 was reported to the Corporate Governance and Standards Committee on 15 January 2020. The projected net

expenditure on the General Fund for the current financial year is estimated to be £96,766 less than the original estimate.

The Chief Finance Officer, in consultation with the Lead Councillor for Finance and Asset Management and the Leader of the Council will decide upon the appropriation of the final balance in June 2020. Any ongoing variances between actual expenditure and budget identified in 2019-20 have been taken into account when preparing the budget for 2020-21.

Appendix 3 details a list of fees and charges for approval as part of the budget. Executive agreed the target increase given to service managers on 26 November, subject to market constraints.

At its meeting held on 21 January 2020, the Executive considered this report and resolved to approve the transfer to reserves of the sums included in the proposed budget at **Appendix 2** and approved the growth bids set out in paragraph 9.

The Executive also endorsed the recommendation to Council below.

Recommendation to Council

(1) That the proposed fees and charges for 2020-21 relating to General Fund services and attached at **Appendix 3** to this report be adopted with effect from 1 April 2020.

(2) That the budget be approved, and specifically that the Council Tax requirement for 2020-21 be set at £**10,192,858**

(3) That the Band D Council Tax for 2020-21 be set at £176.82, an increase of £5 (3.00%).

<u>Reason for Recommendation:</u>
To enable the Council to set the Council Tax requirement and council tax for the 2020-21 financial year.

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

1. Purpose of report

1.1 This is the final report to the Executive in the 2020-21 budget process and the Executive is asked to approve a budget for presentation to Council.

1.2 The financial implications of proposals contained in the Capital and Investment Strategy, to be considered as part of this agenda are included in this report.

1.3 The report also proposes the use of the Business Rates reserve and other earmarked reserves.

2. Strategic Priorities

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

3. Background

3.1 At its meeting on 26 November 2019, the Executive received a report on the outline budget, which indicated that there was a gap between the projected net expenditure for 2020-21 and our estimated resources of £820,760.

3.2 The November report assumed a £5 increase in Council Tax and this remains the working assumption. The report included the comments of the Joint EAB Budget Task Group (JEABBTG), which considered the outline budget at its meeting on 8 November 2019. The Joint Executive Advisory Board (JEAB), considered the outline budget at its meeting on 20 November 2019.

3.3 This report will cover the changes since the outline budget was presented to the Executive.

4. Outline budget parameters

4.1 The outline budget has been prepared on the factors approved by the Executive at its meeting on 26 November 2019.

5. Revenue Support Grant (RSG) New Homes Bonus (NHB) and Business Rates Income under the Business Rates Retention Scheme (BRRS)[1]

5.1 We received the provisional Local Government Finance Settlement (LGFS) for 2020-21 on 20 December 2019. Full details and commentary regarding the settlement are set out in the Chief Finance Officer's report at **Appendix 1**

5.2 The Settlement Funding Assessment (SFA) consists of the local share of business rates, and revenue support grant and is set out in the provisional LGFS. The settlement was in line with our expectation and the multi-year settlement. Our baseline funding level was set at £2.929 million an increase of 1.69% on 2019-20.

5.3 The provisional award of New Homes Bonus (NHB) for 2020-21 totalling £851,019, is lower than the £1,066,849 we included in the outline budget reported to Executive in November. Although we added 482 new homes to the Council Tax base in 2019-20, which represents a 0.71% increase in our tax base, the deadweight for qualifying new homes bonus is set at 0.4%, which is the minimum expectation Government has for the development of new housing.

5.4 Officers have now completed the annual business rates estimate return to government, called the NNDR1 form. This return estimates the business rates income and section 31 grant in respect of business rates due for 2020-21. It also estimates the surplus or deficit on the collection fund in respect of business rates. Following completion of the form the estimated business rate income for 2020-21 is £34,713,245 which is £797,395 lower than the estimated presented to Executive on 21 January 2020 of £35,510,640. The Section 31 grant has been estimated as £1,959,000 which is £1,217,105 lower/higher than the estimate presented to

[1] Within the BRRS, all authorities are either top-up or tariff. Where the authorities' share of Business Rates is more than the government believes it needs, it pays the excess to the government as a tariff. Conversely, if the income from business rates is less than the government's need assessment, a top-up is paid. Generally, district councils are tariff authorities and county councils and single tier authorities are top-up.

Executive on 21 January of £3,176,105. The changes relate to updated estimates of bad debt, appeals and reliefs. The transfer to the business rates equalisation reserve has been adjusted accordingly for the changes.

5.5 Following completion of the NNDR1 form, the estimated surplus on the collection fund for 31 March 2020 in relation to business rates is £9.5 million of which, Guildford Borough Council's share would be £3.8 million. The Council's policy is to transfer the surplus or deficit to the business rates equalisation reserve to equalise the impact of the business rates system on council tax payers and to provide revenue resources for specific regeneration and economic growth projects. The increase in the surplus relates to the reduction in the provision for business rates appeals.

6. Council Tax, tax base and collection fund[2]

6.1 The proposed budget assumes that council tax will increase by £5 (approximately 3.0%) This means that the band D tax will go up from £171.82 to £176.82. The increase will generate approximately £284,000 based on the 2019-20 tax base.

6.2 At present, the government sets a limit each year above which increases in council tax have to be supported by a referendum. In the past, this limit has been 2%. However, as part of the final local government finance settlement issued in February 2016, for Shire District Councils this was changed to allow increases of less than 2% or up to and including £5 per Band D property, whichever is higher. The provisional local government finance settlement issued by government proposes that this rule remains the same for 2020-21. We expect that the government will return to the referendum limit of 2% for future years. The three-year financial projections for the period to 2023-24 assume a council tax increase of 1.9%.

6.3 The Director of Resources, in consultation with the Lead Councillor for Finance, Assets and Customer Services, has agreed the council tax base for 2020-21 at 57,645.39. This is 1.5% higher than the 2019-20 figure and has increased the available resources by approximately £146,100.

6.4 Any surplus or deficit on the Collection Fund in the current financial year (2019-20) feeds into the 2020-21 budget. At present, it seems unlikely that there will be a surplus or deficit on the council tax element of the Collection Fund, which is forecasted to be on budget by the end of the year.

7. Capital expenditure and minimum revenue provision

7.1 The Council has a single capital programme for the General Fund that we finance from the Capital Schemes reserve, capital receipts and revenue contributions towards specific schemes. Unless we generate significant capital receipts, the

[2] The collection fund is a separate account that we must keep, which collects all the income from council tax and business rates and pays it out to other bodies. For council tax, the recipients are Surrey County Council, the Police and Crime Commissioner for Surrey and Guildford Borough Council. For business rates, the recipients are the Government, Surrey County Council and Guildford Borough Council. We have to predict the surplus or deficit on each part of the fund and that is paid out to (or recovered from) the relevant precepting authority in proportion to their original share. The surplus or deficit arises because of movements in the amounts collectable (i.e. the total amount of the bills we have sent out) and provisions for bad debts and business rats appeals.

Council needs to borrow from either its own resources (earmarked for other uses) or from the market; at the current time borrowing is internal as it is more financially advantageous.

7.2 Because the capital programme shows an underlying need to borrow, represented at the year-end by the capital-financing requirement (CFR), there is a requirement to make a debt charge to the revenue account called the minimum revenue provision (MRP). This charge is based on the value and life of the assets funded by borrowing (internal or external). The minimum revenue provision for 2019-20 will be £926,640, which is based on a General Fund CFR at 31 March 2019 of £106.9 million. It is currently estimated that the CFR at 31 March 2020 will be £149.5 million and the MRP for 2020-21 will be £1,639,171. This figure is included in the proposed budget.

7.3 There is a separate report on this agenda relating to the Capital and Investment Strategy 2020-21 to 2024-25. As the schemes under consideration would commence from 1 April 2020, it will not affect the 31 March 2020 CFR or MRP charge for 2020-21 but will impact the MRP charge from 2021-22.

8. Use of Reserves and interest earnings

8.1 An important element of the Council's budget is the income it receives from investment of the cash held in reserves. The balances held at the end of 2018-19 and the projected balances at the end of 2019-20 and 2020-21 are presented in Section 10 of **Appendix 1** . We expect that the Council will hold £156.2 million of reserves as at 31 March 2020, of which £115.5 million relate to the HRA and £40.7 million relate to the General Fund.

8.2 HRA reserves are considered as part of the HRA budget. The general fund earmarked revenue reserves includes £12.6million of projected earmarked reserves which are not available for general spending because they are contingent in nature (for example the insurance reserve), or are earmarked for specific future spending such as car parks maintenance which helps even out expenditure on the general fund. The Council is also required, under accounting practice, to hold endowment funds received as developer planning contributions in earmarked reserves for the long term repairs and maintenance expenditure on Special Protection Areas (SPAs) or Suitable Alternative Natural Greenspaces (SANGs); these reserves are required to fund the revenue costs of SPA / SANGS in perpetuity. Earmarked reserves for SPAs and SANGS are projected to be £7.8million at 31 March 2020. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore £14.9million.

8.3 In the 2019-20 budget, we anticipated a net interest charge of £279,095. The estimate for net interest receipt included in the outline budget for 2020-21 is £641,385. Interest payable to the Housing Revenue Account (HRA) is estimated at £531,550 reflecting the level of balances and investment returns consistent with the application of a risk free rate of return. The Bank of England base rate is currently 0.75%. We will continue to keep under review the timing of possible base rate changes as the estimates process proceeds.

Proposed Use of Key Earmarked Reserves

The Budget Pressures Reserve

8.4 The budget pressures reserve was established in 2015 to manage the financial challenges the Council faces over the medium term and in particular, allow us to carry forward underspends on the general fund at the end of each financial year to offset future growth pressures. Revenue costs associated with the Future Guildford transformation programme will continue to be funded from either the budget pressures and/or invest to save reserve.

Business Rate Equalisation Reserve

8.5 Initial reports from the actuaries reflect the need for an increase in the pension contributions required to ensure the overall funding position reaches a surplus following the triennial valuation. There is an option to increase the current primary contribution rate to 17.2% (which is included in the outline budget) but pay the secondary contributions for the next three years in one lump sum payment of £6,275,000 in 2020-21. This would reduce the impact by £402,000 over the three years (£352,000 saving to the General Fund and £50,000 saving to the HRA), but would mean funding this contribution in 2020-21 from reserves.

8.6 It is therefore proposed to use £3,956,753 from this reserve to fund the prepaid secondary contributions in respect of 2021-22 and 2022-23. Annual contributions in 2021-22 and 2022-23 of £1,978,377 will be made back into this reserve to offset this cost.

8.7 As set out in paragraph 5.5, the Council's share of the surplus on the collection fund relating to business rates of £3.8 million will be transferred to the business rates equalisation reserve to ensure the volatility of the business rates system does not impact on council tax payers. The money will be set aside to fund future business rate losses and specific economic growth and regeneration projects.

8.8 Officers propose to use £723,957 from this reserve to support the general fund revenue budget. The implementation of the fair funding review and Business rate reset has been delayed by a year so there is funding, in respect of the retained share of the business rate growth levy, being paid into this reserve in 2020-21 that is available to support to budget in 2020-21. This funding will not be forthcoming in 2021-22 and so has been removed from the budget in the medium term projections.

New Homes Bonus Reserve

8.8 The Council adopted a new homes bonus policy in February 2016. The policy assumed that the first £1 million of NHB grant would be available to support the general fund revenue budget. Due to the changes to the scheme referred to in section 8, it is not proposed to continue to use this funding each year to support the general fund budget but to use any new homes bonus received in future to support one-off growth bids that contribute to the delivery of new homes and other projects as outlined in the Council's new homes bonus policy.

8.9 Officers propose using this reserve to fund the Town centre masterplan growth bid of £500,000 in 2020-21 and £125,000 in both 2021-22 and 2022-23. This project will contribute to the delivery of housing in the town centre. It is also proposed to fund the Public realm scheme for Chapel / Castle Street & Swan Lane, £1.615million. The funding of public realm improvements is included within the Council's NHB policy.

Invest to Save Reserve

8.10 The invest to save reserve exists to pump prime the upfront costs of service transformation and efficiency projects, including staff redundancy costs. Costs to be funded from the invest to save reserve are often approved in year under delegated authority. If there are any up-front costs of service transformation required to achieve these savings, then we will seek to fund the costs from the invest to save reserve.

8.11 The budget includes a transfer to reserve of £250,000 to support future service transformation. Officers recommend that any revenue costs associated with the Future Guildford transformation programme continue to be funded from either the budget pressures and/or invest to save reserve.

8.12 Officers also recommend using £260,000 from this reserve to cover the costs of lost rental income, business rates and maintenance costs at Midleton Industrial Estate as this unit has been vacated ahead of redevelopment of the site.

The Car Parks Maintenance Reserve

8.13 The balance on the car parks maintenance reserve at 31 March 2019 was £4.7 million. This reserve is available to fund repairs, maintenance and improvement of car parks. Officers propose that this reserve is used to fund works totalling £190,000 in 2020-21.

IT Renewals

8.14 The budget includes a transfer to reserve of £100,000 to support the investment in ICT technology to stimulate the use of technology and new ways of working to improve value for money and efficiency in the delivery of Council services.

Other Reserves

8.15 Officers propose to use £77,000 from the Investment property reserve and £515,000 from the Liongate House rent reserve to offset the loss of rent for this property that is currently empty.

9. Projected outturn for 2019-20 (based on period 8 monitoring) and 2020-21 proposed budget

9.1 The financial monitoring report for the first eight months of 2019-20 wasreported to the Corporate Governance and Standards Committee on 15 January 2020. The projected net expenditure on the General Fund for the current financial year is estimated to be £0.09 million less than the original estimate. The major reasons for this are due to vacant posts and an increase in income at the crematorium.

9.2 At the time the outline budget was presented to Executive on 26 November, Officers were anticipating a gap between net expenditure and estimated resources of £820,000. This position now is for there to be a balanced budget in 2020-21. The changes are summarised in the table below.

	Executive (21 Jan 2020)	**Proposed Budget Appendix 2**	**Movement**	**Comment**
Community Services	(314,990)	(314,990)	0	
Planning & Regeneration	3,142,170	3,142,170	0	
Environment	11,556,920	11,556,920	0	
Managing Director	783,410	783,410	0	
Finance	11,820,880	11,820,880	0	
Total Directorate Level	**26,988,390**	**26,988,390**	**0**	
Provisional Growth Bids	964,000	964,000	0	
Provisional savings	(2,471,425)	(2,471,425)	0	Not yet included in Directorate budgets due to FG process not yet completed.
Depreciation	(8,813,830	(8,813,830)	0	
Directorate Level excl. depreciation	**16,667,135**	**16,667,135**	**0**	
Net external interest receivable	(1,172,935)	(1,172,935)	0	
Interest payable HRA	531,550	531,550	0	
Minimum Revenue Provision (MRP)	1,639,171	1,639,171	0	
Revenue Contribution to Capital (RCCO)	537,000	537,000	0	
Transfers to/(from) reserve	(2,800,218)	(603,152)		Use of Business rate equalisation reserve for superannuation payments and support for the budget see section 8.5 & 8.6 Reduction in NHB £216k
Total after transfers to/(from) reserve	**15,401,703**	**17,598,769**	2,197,066	
Business Rates Retention Scheme payments and other grants	31,152,815	31,971,223	**818,408**	Changes as a result of the settlement and completion of the NNDR1 return.
New Homes Bonus (NHB)	(851,019)	(851,019)	**0**	
Net Budget	**45,703,498**	**48,718,973**	**(963,151)**	
Parish Precept	1,741,000	1,741,000	**0**	
Total Net Budget	**47,444,498**	**50,459,973**		

	Executive (21 Jan 2020)	Proposed Budget Appendix 2	Movement	Comment
Business Rates retained income	(35,510,640)	(38,526,115)	**(3,015,475)**	Figures revised after completion of the NNDR1 return.
Budget Gap	**0**	**0**	**0**	
Council Tax Requirement	**11,933,858**	**11,933,858**	**0**	

9.3 In order to arrive at the final budget, service managers prepare a budget based on existing levels of service, which is then amended for existing commitments and agreed changes relating to growth and savings.

9.4 The proposed budget includes the financial implications of the Capital and Investment Strategy which councillors will also consider on this agenda.

9.5 The figure above includes the effect of the increase in council tax base, which has increased available resources by approximately £146,100.

9.6 At present, the figures assume a no surplus or deficit on the collection fund in relation to council tax as referenced in paragraph 6.5 above.

<u>Major changes from 2019-20</u>

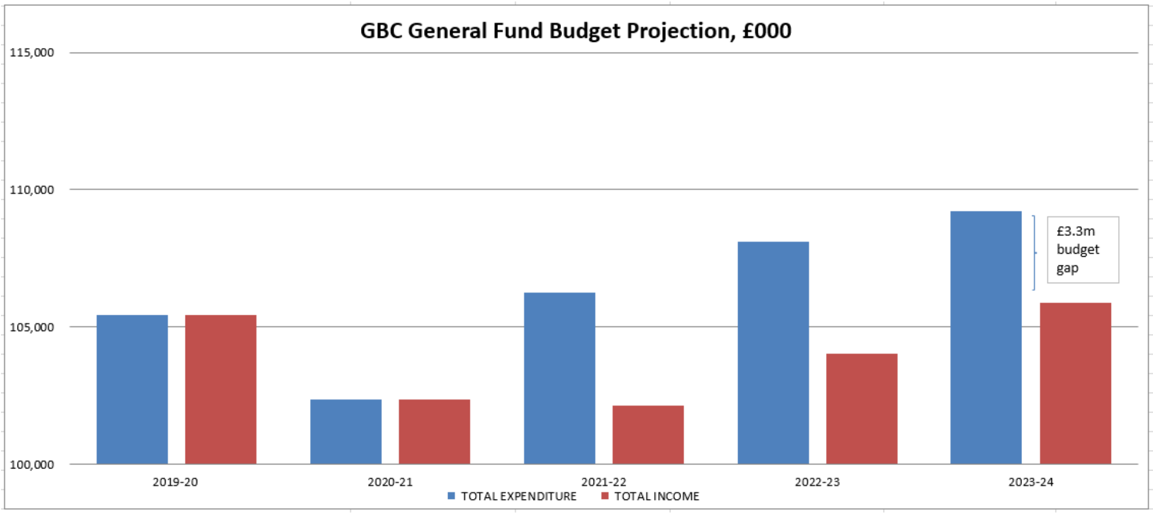
9.7 The estimated directorate level expenditure excluding depreciation charges for 2020-21 is £16.67 million, which is £3.69 million more than the 2019-20 directorate level expenditure estimate of £12.98 million. The main reason for this increase is due to the prepayment of secondary superannuation contributions as set out in paragraph 8.5

<u>Major changes from 2020-21 projection included in the 2019-20 estimates</u>

9.9 When the 2019-20 estimates were approved, we projected an increasing budgetary pressure in 2020-21 and beyond. The 2020-21 outline budget shows a change in the position compared to what was projected largely due to the delay in implementing the business rate reset and fair funding review and the savings being achieved through the future Guildford transformation programme. The major movements that have contributed to this overall position:

- Increase in the anticipated directorate budgets - £3.69 million [this includes a working assumption around the savings from the Future Guildford transformation project, a loss of forecasted income from Parking Fees and Charges, increased superannuation costs and growth bids of £0.96million]
- Increase in net interest receivable - £0.4 million
- Increase in the MRP charge - £0.7 million

9.10 The long-term projections still indicate that a saving of around £3.3 million is needed over the period to 2023-24 as highlighted in the graph below.



9.11 Officers continue to work towards identifying the necessary savings over the medium term. Savings from the Future Guildford transformation programme have been included in the outline budget and forward projections as follows:

	2020-21 £	2021-22 £	2022-23 £	2023-24 £
Staffing savings	2,388,125	3,491,750	4,050,500	4,050,500
Service Challenge efficiency savings	83,300	592,600	975,850	1,486,750
Total	**2,471,425**	**4,084,350**	**5,026,350**	**5,537,250**

9.12 The Future Guildford transformation project identified a number of potential service challenge savings. Some of these savings have been incorporated in the budget (see table in paragraph 9.11) the remainder of these savings, amounting to up to £3.4m over the next four years are currently being assessed and reviewed by officers before being incorporated into the medium-term financial plan. Achieving the remaining savings will enable the Council to balance its budget over the medium term.

Growth bids

9.13 As in previous years, officers were invited to submit growth bids and proposals for savings and additional income. The revenue bids received are as follows;

- Town Centre Management master plan - £500,000 - To establish a portfolio of projects that will together contribute to the comprehensive planning and regeneration of Guildford town centre
- Carbon Emissions Footprint and Zero Emissions Trajectory - £186,000 - Development of a carbon emissions footprint and trajectory setting out the pathway towards zero carbon from Council operations and a zero-carbon borough.

- Drinking water filling points - £58,000 - Installation of external drinking water bottle filling points to public conveniences, car parks and parks areas.

- Oak Processionary Moth - £30,000 - The project aims to minimise the risk from Oak Processionary Moth (OPM) to the general public and operators working with trees.

10. Fees and Charges

10.1 **Appendix 3** shows the fees and charges proposed by service managers for 2020-21. The Executive agreed the target increase on 26 November 2019 but councillors will see that there is a wide variance in the percentage increases proposed. This is because service managers have discretion to take into account the market within which services operate when proposing fee increases. The estimated income included in the budget is based on these proposed charges.

11. Consultations

11.1 JEABBTG and JEAB have been consulted about the outline budget for 2020-21 and the medium term financial position and their comments were reported to the Executive at its meeting on 26 November 2019.

11.2 Officers have consulted the Lead Councillor for Finance, Assets and Customer Services about assumptions to be used on the level of council tax increase and the proposed budget (including balancing the budget) and he agrees with the approach taken in this report 2019

12. Equality and diversity implications

12.1 There are no equality or diversity implications arising from this report. Where changes to services are included within the budget the service managers will carry out the relevant equality impact assessments as part of the changes.

13. Financial implications

13.1 The financial implications are considered throughout the report.

14. Legal implications

14.1 The Council is required to set a Council Tax for the financial year 2020-21 before 11 March 2020. It may not be set before all precepts have been issued or before 1 March 2020 whichever is the earlier. The decision is reserved to Council and cannot be taken by the Executive or delegated to officers, although the Executive has to recommend a budget to Council. Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account and any other expenditure which must be met from the Collection Fund less any surplus (or plus any deficit) brought forward from previous years.

14.2 These legal duties are set out in the Local Government Finance Act 1992 as amended and requires various specific calculations and decisions to be made by the Council:

(a) First, it must calculate its budget requirement in accordance with section 32 of the Act;
(b) Second, it must calculate the Borough Council element of the Council Tax – first for Band D and then for all bands in accordance with sections 33 to 36; and
(c) Third, it must set the overall Council Tax for each band in accordance with section 30

14.3 A note of the amount set must be published in at least one newspaper circulating in the Council's area within 21 days of the decision.

Section 25 Report

14.4 The Chief Finance Officer is required by the Local Government Act 1972 section 151 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting; financial management and accounting practices meet relevant statutory and professional standards.

14.5 In addition, the Local Government Act 2003 section 25 provides that the Council's Chief Finance Officer (the Local Government Act 1972 section 151) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Finance Officer's advice on those requirements is set out in **Appendix 1** to this report.

Administrative law/consultations

14.6 In reaching decisions on these matters, councillors are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account and any decision made must be one, which only a reasonable authority, properly directing itself, could have reached. Councillors must also balance the interests if the service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Councillors must also act prudently.

14.7 Amongst the relevant considerations, which councillors must take into account in reaching their decision, are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in the Local Government Finance Act 1992 section 65.

14.8 In considering, the advice of officers and the weight to be attached to that advice, councillors should have regard to the personal duties placed upon the Chief Finance Officer. The Council may take decisions, which are at variance with her advice provided that there are reasonable grounds to do so. However, councillors may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities.

Referendum requirement

14.9 The government no longer has power to cap local authority budgets under the Local Government Act 1999. However, the Localism Act 2011 introduced limits each year above which any increase in Council Tax would need to be supported by a referendum. In setting the Council Tax for the next financial and in agreeing the Council's budgetary requirements the Council will need to take into account these limit. The local government financial settlement allows for an increase of less than 3% or up to and including £5 per Band D property, whichever is the higher.

Constitutional arrangements

14.10 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 provide that votes at key budget decision meetings must be recorded. The Council's Constitution provides in Part 4 – Council Procedure Rule 19 (d) that a recorded vote shall be taken at a meeting of the Council in respect of any motion or amendment to approve the budget or set council tax.

Restrictions on voting

14.11 Councillors should be aware of the provisions of the Local Government Finance Act 1992 section 106 that applies where:

(a) they are present at a meeting of the Council, the Executive or a committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months, and

(b) any budget or council tax calculation or recommendation or decision, which might affect the making of such calculation, is the subject of consideration at the meeting

14.12 In these circumstances any such councillors shall at the meeting and as soon as practicable after its commencement disclose the fact that section 106 applies to them and shall not vote on any question concerning the matter in (2) above. It should be noted that councillors are not debarred from speaking on these matters.

14.13 Failure to comply with these requirements constitutes a criminal offence unless a councillor can prove they did not know that section 106 applied to them at the time of the meeting or that a matter in question was the subject of consideration at the meeting. Councillors should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual councillor concerned.

15. Human Resources implications

15.1 There are no immediate human resources implications because of this report. Officers will address any changes in the level of resources because of growth or savings initiatives as the changes are implemented.

16. Conclusion

16.1 The proposed budget includes a Council Tax requirement of £10,192,858 resulting in a Council Tax increase of £5 per annum (3.00%)

16.2 The Chief Finance Officer's report, attached at **Appendix 1**, covers the medium term financial plan, the robustness of the estimates, adequacy of reserves and budget risks. The medium term financial plan position remains challenging and we estimate that we will need to find savings of approximately £3.3 million over the period to 2023-24.

17. Background Papers

None

18. Appendices

Appendix 1: Chief Finance Officer's statutory report
Appendix 2: General Fund Summary
Appendix 3: Proposed 2019-20 Fees and Charges
Appendix 4: Financial Risk Register

CHIEF FINANCE OFFICER'S STATUTORY REPORT

Introduction

1.1 The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and adequacy of proposed financial reserves. The report below provides a strategic overview of the Council's financial position before making specific considerations on the 2020-21 budget. The report covers the Council's General Fund, Housing revenue Account (HRA) and Capital and Investment Strategy.

Strategic Overview

Local Government Funding

2.1 The overall financial climate continues to be severe and is expected to remain so for a number of years. Local Government will continue to play its part in helping to address the national funding deficit, and each Council will be required to contribute accordingly by continuing to deliver services with fewer resources.

2.2 Since 2013-14, the Council has experienced a reduction in government grants and has taken on significant responsibilities in relation to council tax benefits and business rates (explained below). Both these changes placed more resource demands on the Council and increased risks. The Business Rates Retention Scheme (BRRS) moved local government funding away from formula grant to a combination of retained business rates and revenue support grant. Since then the revenue support grant has been withdrawn and 2020-21 is the third year that the Council will receive no revenue support grant funding from Government. The Council is reliant on Council Tax, retained Business Rates, New Homes Bonus and locally raised fees and charges as its core funding streams. Changes in these funding streams are considered in section 3.

2.3 The Spending Round 2019, announcement in September 2019, confirmed that due to the current political turbulence around Brexit the Government would not be holding a spending review covering 2020-21 to 2022-23 instead there will be a one year spending round provided covering 2020-21 followed in 2020 by a full Spending review, reviewing public spending as a whole and setting multi-years budgets.

2.4 Other announcements that may benefit or impact Guildford Borough Council were:

- additional funding for health and social care, some of which will come to Guildford Borough Council through the disabled facilities grant, which allows the Council to facilitate the adaptations to property and home aids to keep people independent in their own homes
- a real term increase in Public Health Grant
- an additional £54m to help reduce homelessness and rough sleeping
- £24m of additional funding for the Building Safety Programme
- £241m to be made available through the Towns Fund in 2020-21 to support the regeneration of high streets and town centres

2.5 The announcement of the provisional local government finance settlement (LGFS) for 2020-21 on 20 December 2019 was in line with expectations following the LGFS technical consultation issued in October 2019.

Localisation of Business rates, Revenue Support Grant and New Homes Bonus

3.1 From 2013-14 local authorities have retained a proportion of their collected Business Rates, based on central shares (a proportion returned to the Government) and local shares (retained by the authority). As an incentive, the Government allows local authorities to retain a proportion of any increase in business rates collected because of increased growth. Under the standard scheme, the Council will benefit by 25p in the £1 on any net growth but will be liable for 50p in the £1 on any net reduction.

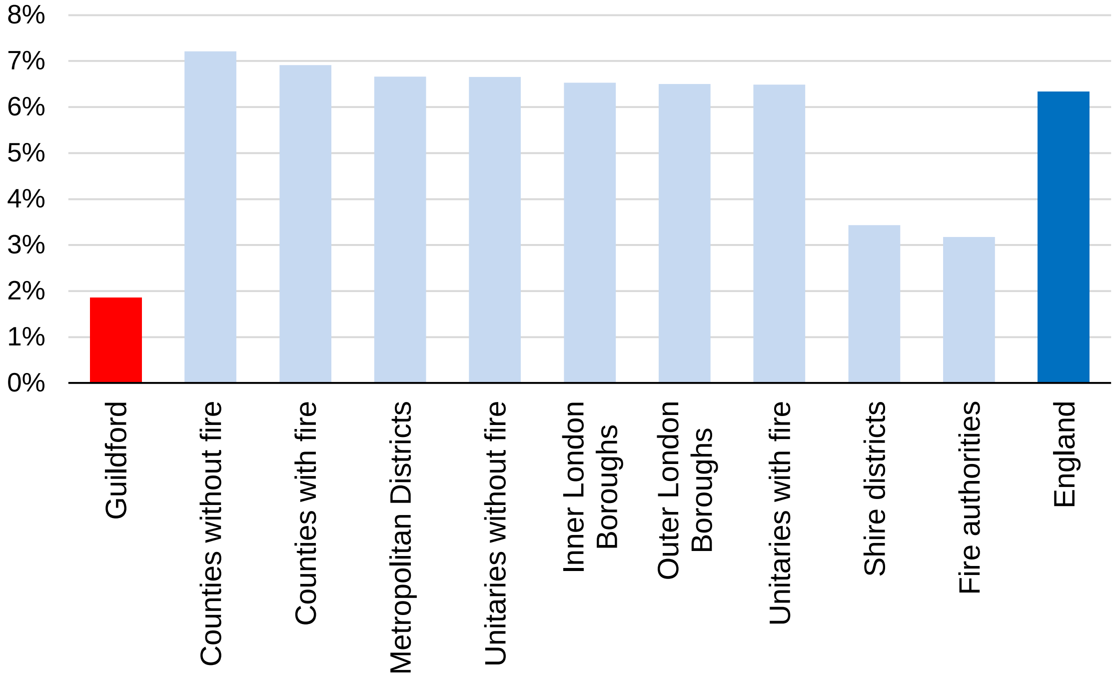
3.2 As stated above, the draft LGFS for 2020-21, was issued on 20 December 2019. The 2020-21 LGFS is a one-year settlement before a new multi-year settlement in 2020. The figures provided by the government are in the table below:

	2016-17	**2017-18**[1]	**2018-19**[1]	**2019-20**[1]	**2020-21**[1]
Settlement Funding Assessment	3.8	3.1	2.8	2.9	2.9
of which:					
Revenue Support Grant	1.1	0.3	0.0	0.0	0.0
Baseline Funding Level	2.7	2.7	2.8	2.9	2.9
Tariff/Top-Up[2]	-28.3	-30.2	-22.3	-31.3	-31.8
2017-18 Tariff and Top-up reconciliation			0.5		
Safety Net Threshold	2.5	2.5	2.7	2.7	2.7
Levy Rate	0.5	0.5	0.0	0.5	0.5

[1] In 2017-18, 2018-19, 2019-20 and 2020-21, figures have been adjusted to reflect authorities with increased business rates retention arrangements. Please refer to the Settlement Funding Assessment Model and the explanatory note on authorities with increased business rates retention arrangements.

[2] Tariffs and top-ups have been recalculated in 2017-18 and 2018-19 to reflect the adjustment for the 2017-18 business rates revaluation.

3.3 For 2020-21, Guildford's settlement funding assessment (SFA) increase is 1.6%. The government has only issued a one-year settlement for 2020-21 due to Brexit and the recent General election. A comparison has been made for core spending power between local authorities, as shown in the graph below. The graph shows that the change in core spending power for Guildford is lower than most other types of Council's and the shire district average.

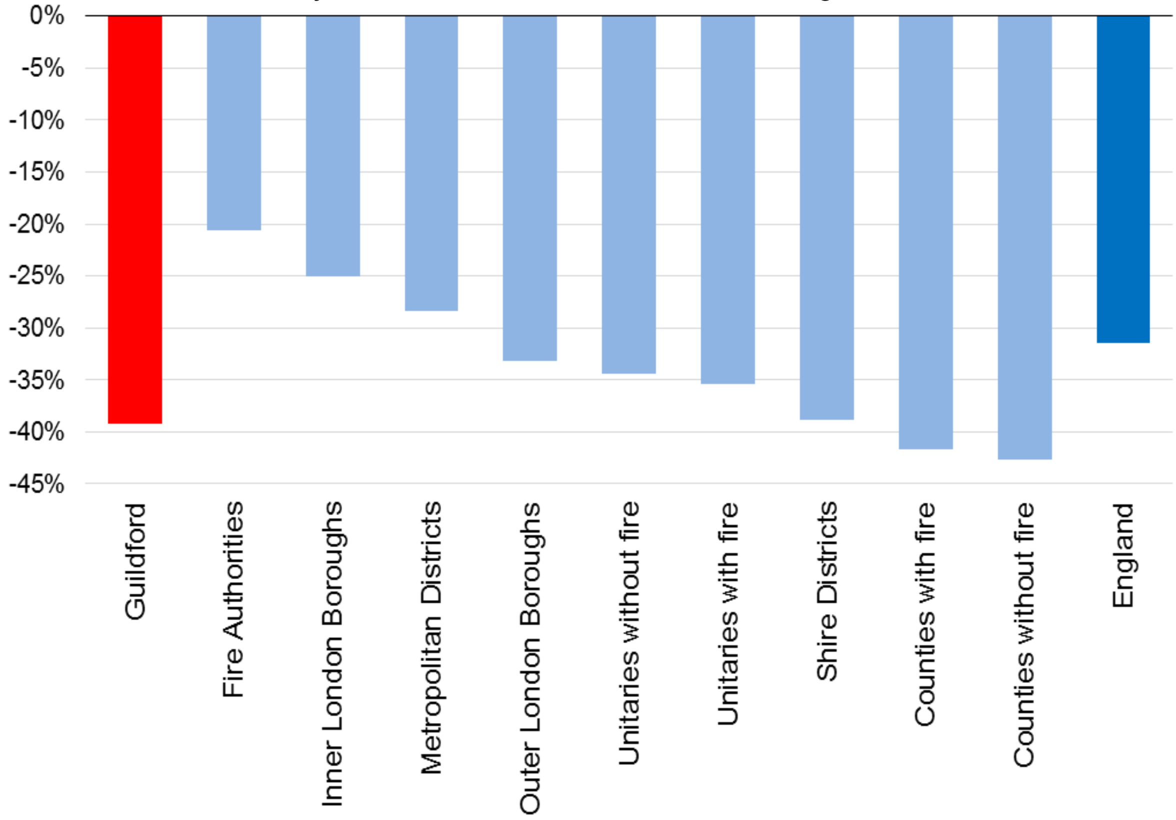


3.4 Due to the variable nature of the business rates element of local authority funding, the draft settlement no longer sets the absolute funding level for local authorities, but gives a baseline funding level. The actual level of funding the Council receives will depend on the business rate income for the year, any section 31 grants and whether the Council is part of a business rate pilot or pool. At the start of the year, we estimate the business rate income, but the actual amount is unknown until after the year ends. For 2020-21, we estimate our net business rate income will be a 3.4% reduction from our 2019-20 income, this is predominantly due to projected increases in various business rate reliefs announced by the government. The table below shows the volatility of our net business rate income over the last three year period along with the proportion of total business rates collected and the estimates for 2020-21.

Year	Actual 2017-18 £million	Actual 2018-19 £million	Estimate 2019-20 £million	Estimate 2020-21 £million
GBC Share of Business Rate Income (NNDR1/3)	35.2	26.1	34.9	34.7
S31 Grant	1.1	1.2	1.8	1.9
Business rate tariff	-29.7	-21.8	-31.3	-33.1
Levy / Safety Net payment	0	0	-1.3	-0.8
Pilot or pooling gain	0.5	1.0	0	0
Net BRRS Income	**7.1**	**6.5**	**4.1**	**2.7**
Total Business Rates Collected	88.1	87.2	89.1	86.8
% Business Rates Retained	8.0%	7.4%	4.6%	3.1%

3.5 The graph below shows the cumulative changes in SFA over previous 4 years (2016-17 to 2019-20) and the comparative reduction in central government support for Guildford in relation to the average of other local authorities. Our local government advisors, LGFutures, who are able to benchmark data across different local authority classes nationally, produce this graph. It shows that the cumulative reduction in

Guildford's SFA over this period 2016-17 to 2019-20 has been more than other classes of authority but in line with the shire district average.



3.6 Over the last four years of the previous settlement, the revenue support grant (RSG) element of the SFA has reduced by 100%. Since 2018-19, the Council no longer receives RSG from Government. The RSG reduction has affected Guildford and other Surrey Councils more severely due to the way the government changed the mechanism of distributing grant in 2016-17. Rather than all local authorities receiving the same percentage reduction in RSG funding, the government now takes into account the amount that can be raised locally from Council Tax, thereby increasing the reduction in RSG funding for higher tax base authorities such as Guildford (in terms of the ratio of council tax income to SFA). Due to the unanticipated impact of changing the mechanism on the medium term financial plans of local authorities in 2016-17 and 2017-18, the government introduced a transition grant of £102,000 per annum for 2016-17 and 2017-18 to delay the implementation of the changes, however, the transition grant has now ceased.

3.7 The Council's new homes bonus (NHB) in 2020-21 has reduced by £188,000 or 18% from 2019-20. This is despite an increase in the number of properties added to the Council tax system in the year. The reduction is due to the implementation of changes to the NHB allocations introduced in 2017-18, which mean that award of NHB is only made if growth exceeds a 0.4% baseline. Although the Government continues to pay the legacy payments from New Homes Bonus Grant awarded since 2017-18 for a period of 4 years, the award in respect of 2020-21 is for one year only.

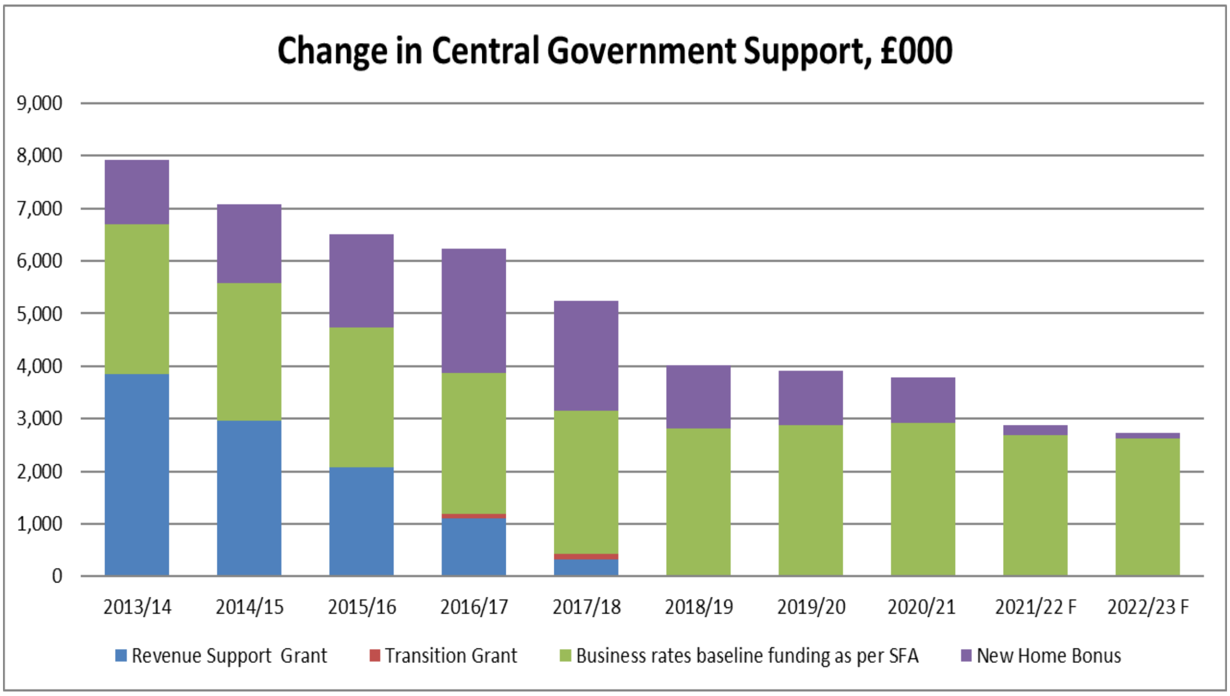
Changes in Government Support

4.1 Taken together, the settlement funding assessment (business rates and RSG) and new homes bonus (NHB) are the key elements of central government support the

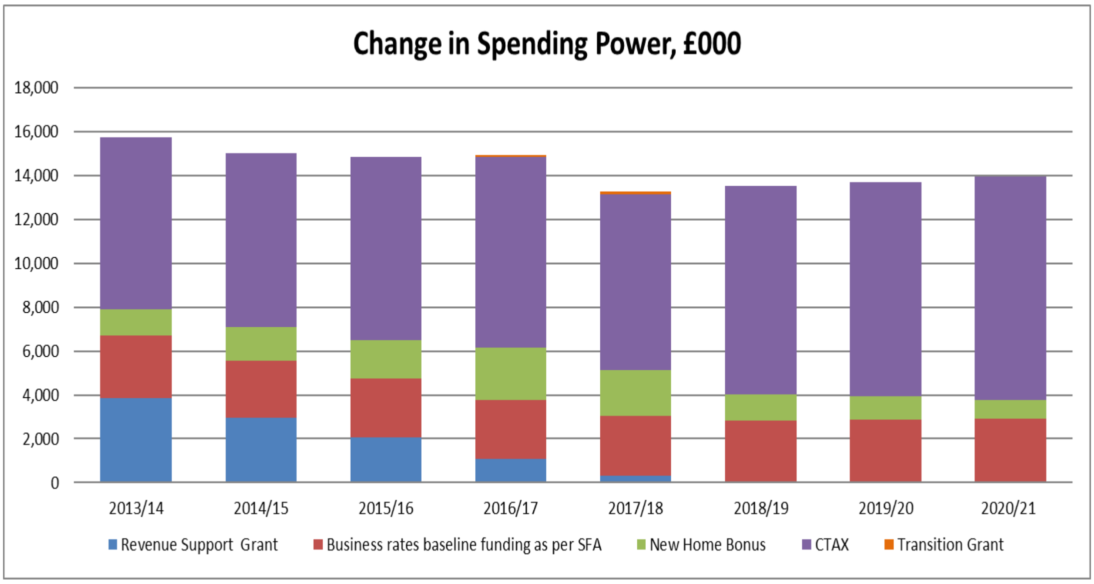
Council receives. In total, the three elements have Increased by 0.2% (£10,000) since 2019-20; but overall there has been a cumulative reduction of 34% since 2013-14. When comparing local authorities in the local government finance settlement the government uses a term spending power, this includes the council tax that the government expects the Council to raise and some specific grants. The government states that Guildford's spending power has increased by 1.9% between 2019-20 and 2020-21 however, I feel that this does not properly reflect the true impact of the reduction in central government support.

4.2 The proposal set out in the LGFS is that by April 2021, local government will retain 75% of business rate revenues (it currently keeps 50%), however, the system of top-up and tariffs, which re-distributes revenues between local authorities nationally, will be retained. Whilst the system retains the redistribution mechanism, 75% of the business rates will not be retained locally by the Council. As the table in paragraph 3.3 shows, the actual retention of business rates locally is around 5%.

4.3 The chart below shows the change in Central Government funding since 2013-14. The overall cumulative reduction in central government support since 2013-14 was £4.1 million in cash terms (52% of our funding). The forecast for the next two years are based on analysis of recent consultations for the fair funding review (see paragraph 4.5).



4.4 The comparative graph showing the Council's estimate of the change in our spending power (which includes council tax) and the cumulative impact since 2013-14 is shown in the chart below. The chart shows the change in balance of core spending power between Council Tax, Business Rates and Government grants.



Fair Funding Review and Business Rates Retention (BRR)

4.5 During the last three years, the government have consulted on local government funding reform with a view to introducing a new system with effect from 1st April 2021. The consultations have had two elements:
  a. a Fair Funding Review and
  b. Business Rates Reform (implementation of 75% business rates retention)

4.6 The Council has responded to the consultations issued so far and will continue to respond to current and future consultations. The fair funding review will set the baseline need to spend for the implementation of the new 75% BRR system in 2021.

4.7 Initial review of the latest fair funding consultation identifies that the Council's level of funding in future will be driven by a formula based on population with an area cost adjustment to reflect the cost of providing services in different parts of the Country. A population based cost driver is felt to be the most common and accurate driver of cost incurred by Shire District Council's across all services. In terms of resources, the government has indicated that it will assess the ability of each Council to raise income using an indicative Council Tax calculation which will assess the council tax base at a point in time (adjusted for non-discretionary discounts and exemptions) multiplied by a notional council tax rate. The consultation sets out that the government is minded not to take sales, fees and charges into account when calculating relative resources but has indicated that it might take surplus car parking income into account. The Council's SFA from 2021 onwards will be the difference between its relative need to spend and its relative resources. The SFA will then represent the amount of business rates the Council can keep under the 75% BRR System.

4.8 Review of the latest business rates consultation confirms that there will be a full reset of the business rates system in 2021 and thus all growth within the business rates system that has been retained by the authority since 2013 will be lost.

New Homes Bonus

4.9 As outlined in paragraph 3.6 the new homes bonus allocation for 2020-21 is a reduction of £188,000 or 18% from 2019-20. This is despite an increase in the number of properties added to the Council tax system in the year. The government have set a national limit on the amount of new homes bonus that can be paid nationally of £900 million and implemented a number of changes to the scheme to enable allocations to fit within the national limit. In particular, the government introduced a deadweight percentage and previously reduced the period of time the bonus is payable to 4 years, there has been a further change in the LGFS, the Government will continue to pay the legacy payments from New Homes Bonus Grant awarded since 2017-18 for a period of 4 years, but the award in respect of 2020-21 is for one year only.

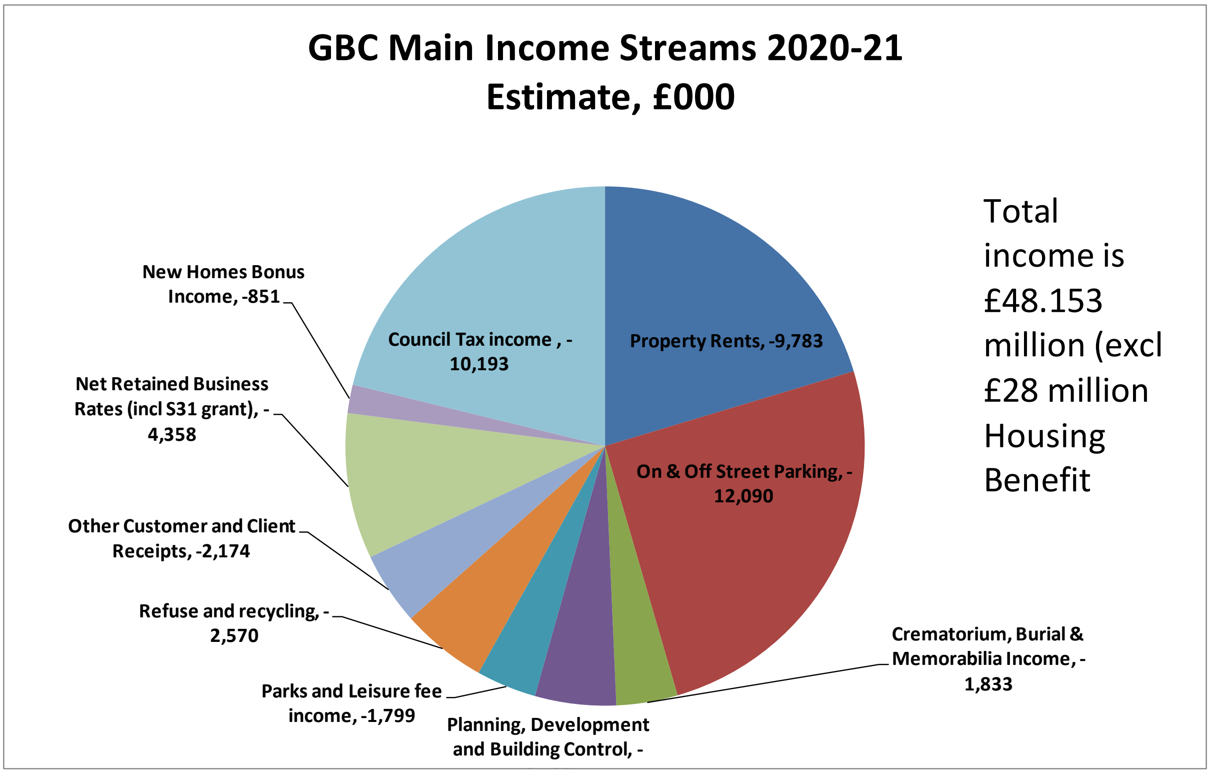
4.10 For 2020-21 all new NHB grant awards are for one-year only and the Government has stated its intention to carry out a further review of the NHB scheme in 2020-21 to 'sharpen its incentive' and to link the payment of the bonus to planning performance. As such, it is high likely that NHB grant to the council will continue to reduce or disappear in the future.

4.11 The council adopted its Local Plan in April 2019. Whilst the local plan suggests an increase in housing in the borough, we do not expect any significant increase in the New Homes Bonus (NHB) in the medium and long term. This is because the Government have set the national limit on NHB allocations as £900 million and it is likely the allocation will further reduce if the government does not meet its national austerity targets. Therefore, the bonus is likely to be subject to on-going reform to keep within the national allocation.

4.12 Our budget and medium term financial plan assumes that any NHB received is transferred to reserves to finance one off short to medium term revenue projects or capital projects in line with the New Homes Bonus Policy adopted by the Council in February 2016 and therefore does not affect the council tax calculation or the budget gap identified below. This is because NHB funding is not on-going and so it would not be prudent to rely on the income as a permanent source of finance to fund on-going revenue expenditure.

General Fund Main Income Streams

4.13 As a result of the reduction in the level of government grant support and switch to retention of business rates, the Council is becoming increasingly reliant on its locally raised income. Risk awareness and management of local income risks will become increasingly important over the medium term period to ensure the on-going financial sustainability of the Council. A graph showing the main sources of income, which the Council uses to fund services, is set out below. Parking income which represents 25% of the council's income is the largest income stream, this is followed by Council Tax which represents 21% of our income. Property rent is the third largest income stream at 20% whilst net retained business rates represents 9% of the Council's income.



<u>Economic Outlook</u>

5.1 The economic situation continues to pose a risk. As the government's austerity measures impact on residents, then our income streams could be affected.

5.2 Interest earnings will not form a significant source of income to the Council due to decreasing investment balances over the medium term and continued low interest rates. The Council will still continue to hold investments. The preservation of our capital whilst maximising our income is of paramount importance when managing the investments.

5.3 Interest payable on debt will start to feature as a significant cost to the Council over the medium term. In managing our debt portfolio we aim to strike a balance between securing low interest costs and achieving cost certainty over the period for which the borrowing is required.

5.4 The adoption of the Capital and Investment Strategy is designed to mitigate these risks.

5.5 The Council is aware of the significant pressure that continuing austerity and increasing demand for services is placing on the NHS and social care authorities. There is a significant lack of resources to properly fund social care, which is placing a significant strain on our local NHS partners and Surrey County Council (SCC). As these bodies focus their attention on providing statutory services, there will be an impact on the preventative services, which Guildford Borough Council receives funding from SCC to provide. Currently the Council receives £1.0 million of funding from SCC to provide a range of services, all of which could be at risk in future.

Guildford Borough Council Medium Term Financial Plan

Corporate Plan

6.1 The Council's Corporate Plan was developed for the 5-year period April 2018 to March 2023 and includes bold ambitions for service delivery for the future. Following the local election in May 2019, the Corporate Plan is currently undergoing a review to reflect the political priorities of the new Council. The budget for 2020-21 includes projects proposed as part of the existing corporate plan and some new projects to address the Council's new priorities. Many of the priorities within the plan involve significant investment in services to address climate change, housing and infrastructure to deliver the outcomes.

6.2 The capital and investment strategy has been developed with the aims of realising the Council's Corporate Plan and the political priorities of the new Council, raising the quality of life for residents and improving the long term financial planning process. The capital strategy demonstrates that the Council takes capital expenditure and investment decisions in line with the corporate plan and Council priorities and takes account of stewardship, value for money, prudence, sustainability and affordability in the decision making process. The first five years of the capital strategy are the capital programme. The capital programme (both general fund and HRA) is significant and includes potential investment in key projects to support our corporate plan such as:-

- Investment in new affordable housing at various sites such as Guildford Park, Bright Hill, Weyside urban Village (Slyfield) and various infill sites
- Increased investment in acquiring land and property for affordable housing development
- HRA property regeneration and intensification
- Investment in residential accommodation for rent (through the Council's subsidiary company, North Downs Housing Ltd)
- Improvements to the Council's assets to improve energy efficiency and address the impact of climate change
- Regeneration schemes in the Town Centre and Weyside Urban Village
- Provision of a new railway station at Guildford West (Park Barn)
- Investment in transport infrastructure & sustainable transport routes (town centre, west guildford & cycling)
- Westfield Road / Moorfield Road (Slyfield) resurfacing
- Redevelopment of Midleton Industrial Estate
- Infrastructure improvements to the A331/A31 and A331/A323 junctions (blackwater valley bypass)
- New Walnut Bridge
- Introduction of a bicycle sharing scheme in the town centre
- Producing a masterplan for stoke park
- Investment in the museum

6.3 The capital and investment strategy splits the capital programme between 'income generating and redevelopment schemes' which will be required to meet a target level of return to proceed, 'infrastructure schemes' which will contribute to economic growth and development but may not necessarily have a direct income stream to the Council, and 'essential schemes' that are necessary to maintain the Council's assets and deliver services. To ensure the affordability of the capital programme, we have suggested a limit on the total number of essential and infrastructure schemes that can be undertaken in any one year to ensure that the revenue implications of the schemes can be afforded by the Council's general fund revenue account. The income generating and redevelopment schemes are anticipated to provide a net overall increase in income or reduction in cost to the Council's general fund revenue budget and therefore positively contribute towards the Council's future financial sustainability.

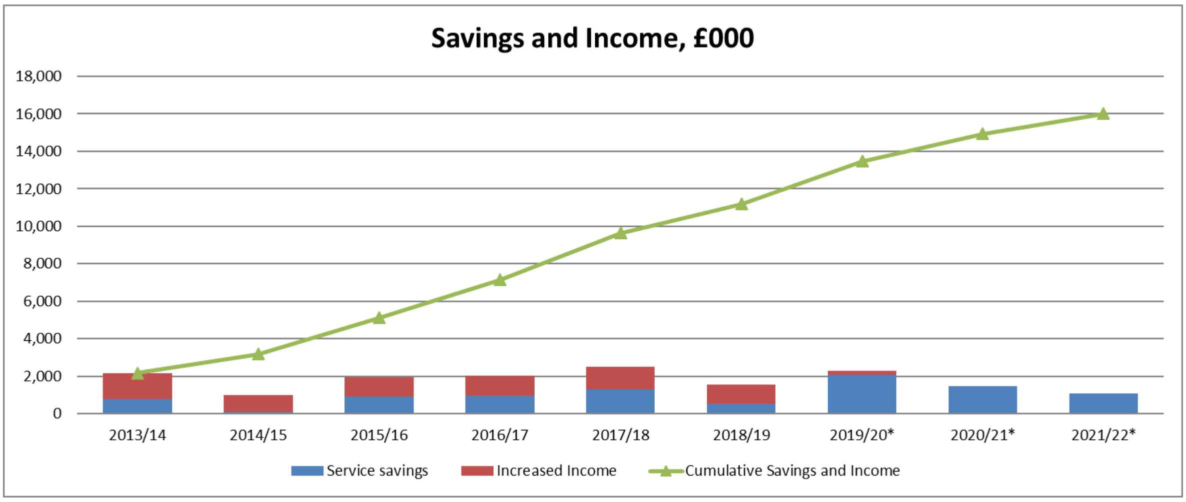
6.4 To finance the capital strategy, a variety of funding sources, such as capital receipts, capital reserves, revenue contributions, S106 contributions and borrowing will be required. Unless the Council is able to generate capital receipts it will need to borrow from its own internal resources, or the market. Any borrowing will have a direct impact on the revenue budget, as there is a requirement to charge a minimum revenue provision (MRP) for the use of borrowing as well as interest payments. The impact of MRP is included within the general fund revenue budget. Whilst the 5-year capital programme is ambitious, the capital strategy assumes that there will be some capital receipts or revenue income arising, particularly from the redevelopment schemes that will offset some of the expenditure in the long-term.

General Fund Savings and Income

7.1 As part of the drive to continue to deliver services with fewer resources, the Council is undertaking a transformation programme to remodel services, achieve savings and increase income to achieve a sustainable financial future. Since 2013-14, the Council has generated a total of £6.6 million in savings and £6.8 million in additional income.

7.2 The budget assumes a further £3.4m savings can be achieved between 2020-21 to 2023-24, the majority of these savings are as a result of the Future Guildford transformation programme.

7.3 The graph below summarises the savings and additional income achieved since 2013-14.



General Fund Medium Term Financial Strategy

8.1 The medium term financial strategy (MTFS) and new capital and investment strategy provide a framework within which we will prepare annual spending plans. In essence, it sets a framework for our spending plans and use of resources over the medium term, ensuring that we have a sustainable financial future.

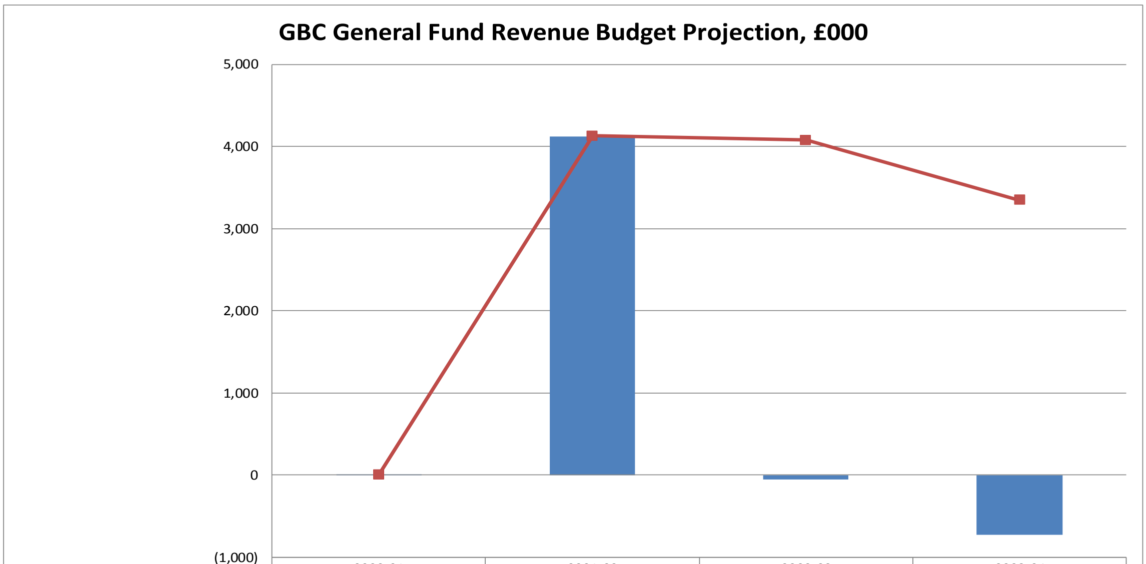
8.2 We have reworked the financial projections to 2023-24 at a summary level, but many of the assumptions (for example, interest rate movements and MRP) could in reality be significantly different.

8.3 Officers prepared the medium term figures using the assumptions in the table below. The Executive approved the assumptions at its meeting on 26 November 2019. These assumptions are for outline planning purposes only and have been reviewed and updated throughout the budget process. They will be subject to further review and update before detailed estimates are prepared for each financial year.

	2020-21	**2021-22**	**2022-23**	**2023-24**	**Benchmark**
General Inflation	2.0%	2.0%	2.0%	2.0%	CPI
Payroll	2.0%	2.0%	2.0%	2.0%	CPI
Income	3.0%	3.0%	3.0%	3.0%	RPI
Council Tax increase	£5 (approx 3.3%)	1.9%	1.9%	1.9%	CPI
Business Rates Inflation	2%	2%	2%	2%	CPI
Impact of the fair funding review and business rates reform	*£0*	*£0.4 million*	*£0.6 million*	*£0.7 million*	*Local estimate*
Council Tax Base Increase	*1.50%*	*1.07%*	*1.28%*	*1.54%*	*Planning applications and local plan forecast*
New Homes Bonus	*£0.851m*	*£0.178m*	*£0.113m*	*£0*	*Planning applications and local plan forecast*
Housing Rents	2.7% Increase	3% increase	3% increase	3% increase	CPI plus 1%
Average Weighted Investment Returns	2.14%	2.08%	2.54%	2.39%	Target % above BoE Base rate as per TMSS

8.4 Approved capital project expenditure and a percentage of provisional capital expenditure is built into the cash flow projections. The statutory MRP relating to the capital-financing requirement (the underlying need to borrow) has been built in with reference to the life of the assets involved, in accordance with the MRP policy within the Capital Strategy.

8.5 Given these assumptions, our projections show that there is a gap between projected income and expenditure over the period 2021-22 to 2023-24 as demonstrated below.



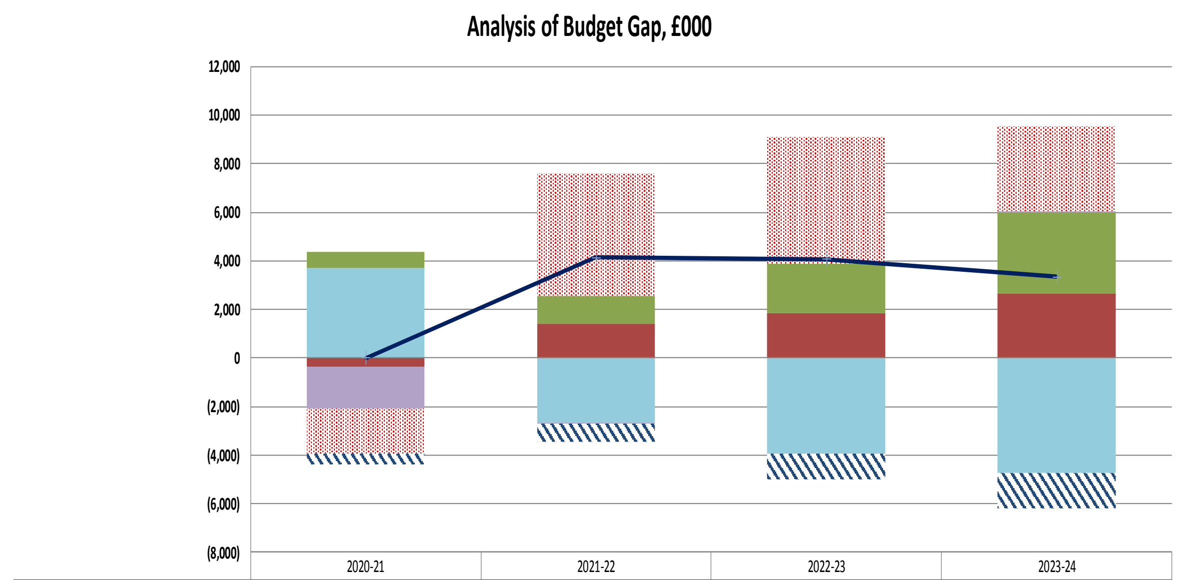
	2020-21	2021-22	2022-23	2023-24
In year Budget (Surplus) / Deficit	1	4,126	(51)	(730)
Total Budget (Surplus) / Deficit	1	4,127	4,076	3,346

8.6 We estimate that the funding gap totals approximately £3.3 million over the plan period (to 2023-24). However, sensitivity analysis shows this could be within the range £0.5 million to £7.5 million.

8.7 A budget gap of £4.1 million is currently projected for 2021-22. The gap arises due to

- a projected £1.6 million decrease in net retained business rates following the fair funding review and business rate reform,
- a projected £1.1million increase in the minimum revenue provision due to the increase in the Council's capital programme and the need to borrow to finance this expenditure,
- A project increase of £1.4million in interest payments as a result of the need to borrow to finance the Council's capital programme.

8.8 The principal causes of the budget gap over the medium term are follows:



	2020-21	2021-22	2022-23	2023-24
(Increase) in Council Tax	(434)	(739)	(1,075)	(1,451)
Change in Use of Reserves (incl NHB Income)	(1,831)	5,020	5,194	3,487
Reduction in retained Brates (SFA)	(1,733)	(69)	(2)	60
Increase in MRP	673	1,155	2,032	3,379
Increase in Net Interest Payable	(362)	1,403	1,867	2,627
Increase / (Decrease) in Directorate spend	3,688	(2,643)	(3,940)	(4,756)
Total Budget (Surplus) / Deficit	1	4,127	4,076	3,346

8.9 Senior Officers are acutely aware of the need to retain a firm grasp on controlling expenditure, efficiency programmes and budget monitoring. In particular, controlling the impact of the Council's capital programme on the general fund revenue account.

8.10 As outlined in paragraph 7.2, the medium term budget gap already assumes that further savings and additional income identified in previous year business planning exercises can be achieved. There is a risk that if the savings and income proposals are not achieved then the budget gap will be higher.

8.11 For some years, the Council has identified a gap between available resources and projected expenditure over the medium term. During 2018-19, to address the shortfall, the Managing Director, in consultation with the Leader of the Council, launched the Future Guildford Transformation Programme. The review is a detailed cross-organisational review of business processes, systems and operating structures. The Future Guildford transformation programme is currently being implemented with the phase A structure completed in 2019/20 which will be followed by a transition period and the second phase due to be completed in 2020-21. There are currently £3.4 million of savings identified as part of the Future Guildford programme that have not currently been included in the Council's medium term financial plan as further assessment of their achievability and plans for their implementation need to be put in place. If these savings can be achieved then the Council is able to balance its budget over the medium term.

<u>Housing Revenue Account (HRA)</u>

8.12 The HRA business plan and budget report sets out the changing legislative framework within which the we operate the council's HRA.

8.13 Since HRA self financing in 2012, the Council has maintained a policy of not re-paying its HRA debt. This has enabled significant surplus' to be accumulated on the HRA which have been transferred to earmarked reserves to finance new build affordable housing and on-going investment in existing housing stock. In addition, the Council ring fences all capital receipts from the sale of council houses under the right to buy (RTB) scheme for re-investment into new build affordable housing and regeneration.

8.14 The Council has ambitions to significantly expand its HRA capital programme across a range of sites. The Government's decision to remove the HRA borrowing cap in 2018-19, along with the use of RTB receipts and HRA earmarked reserves offers the Council substantial capacity to deliver new homes across its 30-year business plan.

Robustness of Estimates

9.1 The budget process was started in November 2019 and the inflation assumptions outlined in paragraph 8.3 above were used in the preparation of the 2020-21 estimates outlined in the budget report.

9.2 Staffing costs have been included based on the Full Time Equivalents (FTEs) included within the establishment and charged to the General Fund (approximately 720).

9.3 A composite loss allowance of 1.5% has been assumed for the council tax base.

9.4 The effects of the capital programmes have been taken into account both in the revenue budget and in predicting cash flow for investment purposes. For the purposes of calculating interest on balances, the average base rate has been assumed to be 0.75%. The impact of longer-term investments made in order to protect the Council's investment income means that an average rate for in-house investments of 1.33% has been assumed and a weighted average return of 2.18% has been assumed on externally managed investments. Interest rate predictions remain extremely uncertain.

9.5 Service level risk assessments are in place for major areas. The corporate risks are included in the corporate risk register, whilst service risk registers are available on the intranet along with comprehensive guidance about how to identify and score risks. We complete a financial risk register, which is reported as **Appendix 4**. This outlines the main financial risks the Council will face in terms of operating within its budget for 2020-21. In addition to assessing the risks, as set out in paragraph 8.6, we carry out a sensitivity analysis of the budget gap against changes in the key assumptions.

9.6 The Joint Executive Advisory Board (at its meeting on 20 November 2019) and the Executive (at its meeting on 26 November 2019) considered the outline budget in detail. The Joint EAB will consider the Capital and Investment Strategy report and the Housing Revenue Account Budget at its meeting on 19 December 2019 and Executive will consider the reports on 21 January 2020. As part of the Joint EAB review, the capital and HRA bids for funding have been reviewed and assessed for alignment with the corporate plan.

Financial Resilience and the adequacy of reserves and balances

10.1 Since 2018-19, the Chartered Institute of Public Finance and Accountancy (CIPFA) has produced a financial resilience index in response to concerns within the local government sector and central government about the financial resilience of some local authorities following the significant funding reductions incurred by the sector since 2013-14.

10.2 The financial resilience index shows how the Council compares to other similar authorities across a basket of financial indicators based on its 2018-19 accounts and a trend analysis of changes since 2017-18. The analysis can be found on the CIPFA Website (**https://www.cipfa.org/services/financial-resilience-index/financial-resilience-index**). Guildford compares well on the analysis to other authorities with the majority of indicators showing that the Council is at low risk of financial stress. Key determinants of the Council's position are its comparatively high level of reserves, a low reliance on government grant, and a high reliance on council tax, net retained business rates and other locally raised revenue to finance expenditure on delivery of services.

10.3 There are two indicators within the financial resilience index which currently show as just above average risk, they are the 'ratio of interest payable to net revenue expenditure' and the 'overall level of gross external debt'. The indicators are slightly skewed for Guildford at present as they do not distinguish between the HRA and the General Fund. At present the external debt and the majority of the interest payable relates to the HRA and is comfortably funded from Council Housing tenant rents rather than by Council tax. In addition, looking solely at the overall level of debt with out looking at the value of assets held by the Council only provides part of the picture. However, given the Council's ambitious capital programme, these indicators are forecasted to deteriorate as external debt and therefore interest payable will increase over time and the percentage of interest funded by the Council tax rather than Housing rent will also increase, creating pressure on the Council's general fund and therefore Council tax. Whilst I prefer to look at the gearing ratio (see below) rather than the overall level of debt, I will be keeping the indicators under review, particularly the 'ratio of interest payable to net revenue expenditure', and will advise Councillors accordingly on the financial sustainability of the Council.

10.4 In addition to the CIPFA financial resilience indicators, as part of the capital and investment strategy we have introduced a series of local indicators which look at:

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

Other indicators have also been proposed by government. The indicators will be included in the statement of accounts, the capital and investment strategy and the Council's financial monitoring reports.

10.5 The indicators currently show that the council is in a relatively healthy financial position compared to the local government sector and its gearing ratio is projected to remain between 35% and 45% over the medium term period.

10.6 The value of General Fund revenue reserves, as at 1 April 2019 was £41.1 million. The estimated value of all revenue reserves over the plan period is:

Reserve	Actual 2018-19 Balance £ million	Projected 2019-20 Balance £ million	Projected 2020-21 Balance £ million
General Fund Reserves	3.7	3.7	3.7
Housing Revenue Account (HRA) Reserve	2.5	2.5	2.5
Earmarked GF Reserves	45.1	37.0	35.4
Earmarked HRA Reserves	93.2	98.9	97.4
Useable Capital Receipts Reserve (General)	0	0	0
Useable Capital Receipts Reserve (housing related)	20.5	14.1	12.1
Total Useable Reserves	**164.9**	**156.2**	**151.1**

10.7 The earmarked GF revenue reserves include some earmarked reserves held for specific purposes (for example, Insurance) and SPA contributions. The service specific reserves and SPA contributions would need to be replaced if used to support the general budget. This approach, which enables the Council to even out the impact of significant costs, is considered prudent.

10.8 The earmarked HRA revenue reserves and usable capital receipts reserves are substantial, which as described in paragraphs 8.12 to 8.14, affords the Council significant finance for its existing HRA capital programme and offers an opportunity to significantly expand its housing development and regeneration programme.

10.9 The General Fund revenue balance (working balance) is maintained at £3.75 million, and the HRA working balance is maintained at £2.5 million which are considered adequate levels.

Budget risks

11.1 The Council faces many risks to the successful delivery of a balanced budget. The Financial Risk Register at **Appendix 4** quantifies the risks and demonstrates that the general reserves and those held for risk management purposes are adequate to cover the risks. The major risks are explained in more detail below.

11.2 **National economic volatility**. Particular consideration will need to be given to the following in the budget proposals:

- Loss of rental income on investment properties
- Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected
- Increase in housing benefit claimants and bad debts
- Potential increase in homelessness
- Loss of income from Fees and Charges, particularly parking

11.3 **Delivery of savings and income**. The Council has embarked on transformation programme to deliver savings and income generation required to balance the budget over the medium term. If the programme is not be delivered on target it will affect the

Council's ability to contain expenditure within budget in year, thus potentially reducing reserves and will increase the budget gap in future years of the medium term financial plan.

11.4 **Regeneration.** The Council is likely to promote regeneration of parts of the town centre where we are a landowner, in order to promote better use of our assets and better transportation links. All will necessitate the identification and acceptance of an appropriate level of risk and return. There are three major capital regeneration schemes during the medium term budget period; North Street, Weyside Urban Village and parts of the town centre along the river corridor. These schemes are schemes that only happen once in a generation and we would not normally expect the Council's on-going capital programme to include schemes of this size under normal operating cycles. Taking these schemes forward will have significant financial risks for the Council but are expected to deliver significant benefits in terms of housing, economic growth and potential income for the Council. Officers are currently looking at alternative legal structures and delivery mechanisms to help us manage those risks. In particular, the Weyside Urban Village Scheme will carry significant financial risk to the Council. The scheme requires the Council to undertake significant upfront investment and the time lag between the investment and the eventual sale of land or property will be a number of years meaning that inflation and interest costs have a significant impact on the scheme viability. The Council will seek to understand the level of risk and mitigate wherever possible.

11.5 **Capital Programme**. As a consequence of the corporate plan, the Council has an ambitious capital programme, in order to invest in the Borough, and Council services, to deliver the targets within the corporate plan. The decision on how each individual scheme is funded will be taken as part of a further, more detailed, business case for each scheme, than that submitted as part of the bids included within the capital programme report.

11.6 The capital programme for 2020-21 to 2024-25 shows the Council has an underlying need to borrow of £338 million. The revenue impact of borrowing includes:

- borrowing costs
- interest
- on-going operating costs and
- where known, income associated with each scheme.

11.7 The revenue implications of the capital programme are included within the Council's general fund revenue budget and contribute towards its medium term financial plan budget gap.

11.8 As stated in sections 6 and 10 and paragraph 11.5 the impact of each individual scheme on the new indicators, limits, targets and financial sustainability of the Council will be reported to the Council's Executive prior to approval of each scheme.

11.9 To meet its medium to long-term financial commitments, the Council will need to generate further capital receipts, transformation efficiencies, additional revenue income and capital grant income and contributions.

11.16 **Business rates retention scheme**. There continues to be volatility in our business rate income due to voids, appeals, revaluations and bad debts. This uncertainty makes it difficult to accurately budget for business rate income and close monitoring through the year is crucial to identify any shortfalls at an early stage. If a large business chose to close or relocate away from Guildford, it would adversely affect our income.

11.17 In setting the business rate multiplier for 2020-21, the Government has taken into account the estimated value of appeals it anticipates following the 2017 revaluation exercise. History shows that government have consistently under estimated the level of appeals following a revaluation exercise. If appeals are higher than government estimates, this will result in a loss of business rate income for the Council. The risk of volatility in income due to appeals will increasingly fall on the Council post 2021 under the proposal for local government to keep 75% of business rates.

11.18 As outlined in Paragraph 4.7 to 4.9, the government are proposing to introduce significant changes to local government finance on 1st April 2021 which adds considerable uncertainty in projecting the medium term financial position for the Council. I expect that the Council's settlement funding assessment will be reduced by government as part of the fair funding review, as government will look to re-allocate resources into high demand services such as social care and will continue to expect local authorities to contribute towards meeting national austerity targets. This is likely to mean that the baseline need to spend for the Council will reduce and the tariff payable by the Council under the business rates retention scheme could increase from 2021 onwards. In addition, on implementation of business rate reform in 2021 all previous business rate growth which the Council has benefitted from since 2013-14 will be lost as part of 'resetting' the business rate baseline. The impact of increasing the tariff adjustment is that Guildford will retain less business rates locally than it does now. The Council currently keeps approximately 5% of the business rates collected.

11.19 **Surrey County Council**. The Council is aware of the significant financial pressure faced by our partner, Surrey County Council (SCC) because of demand and cost pressures within the social care system. The financial sustainability of the social care system is a nationally recognised problem however, the impact it is having at a local level within Surrey is severe. Guildford Borough Council currently receives approximately £0.9 million of funding from SCC for various services such as waste and community care and further funding of £92,000 within the HRA for supported housing. There is a significant risk that this funding will cease, if not in 2020-21, then in future years of the medium term financial plan as SCC looks to deliver its unprecedented scale of service transformation.

11.20 **'Brexit'**. In June 2016, following a referendum, the United Kingdom (UK) voted to leave the European Union (EU). The government has negotiated the terms of a withdrawal agreement, a transitional agreement and issued heads of terms for the UK's future relationship with the EU. Following the General Election in December 2019, the UK is now scheduled to withdraw from the EU on 31st January 2020 and the end of the transition period will be 31 December 2020. Whilst the financial consequences of leaving the EU are now more certain in the withdrawal agreement, the future relationship with the EU still somewhat uncertain and it is not clear whether there will need to be any further government spending reductions which may pose a risk to the medium term financial plan of the Council. In addition, the Council is increasingly reliant on EU migrant workers for the delivery of services, particularly waste collection. The impact of Brexit on our work force, potential agency costs and other risks are currently being assessed.

Conclusion

12.1 The Council faces many challenges over the medium term. We have an exciting and ambitious corporate plan and will continue to have a high demand for some of our services, particularly relating to welfare and environmental services. Continued reductions in Government funding mean that we have a gap between projected expenditure and funding that we will have to address and which we intend to address through our future guildford transformation programme.

12.2 The Council starts the 2020-21 financial year in a good financial position, we have a strong balance sheet, with a high asset base, significant level of reserves, good diversity in our income streams, significant level of liquidity and a reasonable gearing ratio. However in order to maintain our strong financial position and financial stability into the future the Council needs to ensure that it pushes forward with the remainder of the future guildford transformation project to deliver the efficiencies necessary to balance our budget in the medium term.

Claire Morris, BEng (Hons), FCPFA, Cert IPSFR

Director of Resources and Chief Finance Officer

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Actual 2018-19 £	GENERAL FUND SUMMARY	Estimate 2019-2020 £ (Month 8)	Probable 2019-2020 £	Estimate 2020-21 £ Exec (21 Jan)	Estimate 2020-21 £ Council (5 Feb)	Projection 2021-22 £	Projection 2022-23 £	Projection 2023-24 £
	Directorates - Net Expenditure							
(13,789,814)	Community Services	(795,580)	(1,515,559)	**(314,990)**	**(314,990)**	(387,000)	(488,000)	(496,000)
0	Corporate Services	0	0	**0**	**0**	0	0	0
0	Development	0	0	**0**	**0**	0	0	0
10,425,633	Planning and Regeneration	3,247,260	4,335,402	**3,142,170**	**3,142,170**	3,277,000	3,304,000	3,384,000
13,241,234	Environment	11,125,160	9,796,904	**11,556,920**	**11,556,920**	10,891,000	10,573,000	10,266,000
891,032	Managing Director	801,740	1,864,709	**783,410**	**783,410**	791,000	799,000	807,000
0	Resources	0	0	**0**	**0**	0	0	0
8,615,538	Finance	6,611,420	6,820,963	**11,820,880**	**11,820,880**	8,353,000	8,398,000	8,445,000
	Future Growth / Savings bids to be allocated to services	0	0	**0**	**0**	0	0	0
19,383,623	*Total Directorate Level*	**20,990,000**	21,302,419	**26,988,390**	**26,988,390**	**22,925,000**	**22,586,000**	**22,406,000**
	Provisional Growth bids not yet included in Directorate budgets	0	0	**964,000**	**964,000**	286,000	270,000	145,000
	Provisional savings not yet removed from Directorate budgets	0	0	**(2,471,425)**	**(2,471,425)**	(4,084,350)	(5,026,350)	(5,537,250)
	Potential increase in Pension contributions following valuation			**0**		0	0	0
	Prepayment of Secondary pension Fund contributions			**0**				
(2,842,034)	Depreciation (contra to directorate budgets)	**(8,011,160)**	(8,011,160)	**(8,813,830)**	**(8,813,830)**	(8,791,000)	(8,791,000)	(8,791,000)
16,541,589	*Directorate level excluding depreciation*	**12,978,840**	13,291,259	**16,667,135**	**16,667,135**	**10,335,650**	**9,038,650**	**8,222,750**
(1,815,098)	External interest (receivable)/payable (net)	(877,355)	(740,490)	**(1,172,935)**	**(1,172,935)**	641,955	1,137,620	1,897,320
456,206	Interest payable to Housing Revenue Account	598,260	540,145	**531,550**	**531,550**	481,700	450,450	450,450
795,190	Minimum Revenue Provision	966,280	926,640	**1,639,171**	**1,639,171**	2,121,300	2,998,300	4,345,000
(27,056)	Revenue income from sale of assets	0	0	**0**	**0**	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)			**0**				
1,641,467	Met from: Capital Schemes reserve	0	0	**0**	**0**	0	0	0
2,479,854	Other reserves	2,992,000	2,992,000	**537,000**	**537,000**	537,000	537,000	537,000
95,750	General Fund	0	0	**0**	**0**	0	0	0
20,167,902	***Total before transfers to and from reserves***	**16,658,025**	**17,009,554**	**18,201,921**	**18,201,921**	**14,117,605**	**14,162,020**	**15,452,520**
	Transfers to and from reserves							
	Capital Schemes reserve							
(1,641,467)	*Funding of Revenue Contribution to Capital Outlay*	0	0	**0**	**0**	0	0	0
	Contribution in year	0	0	**0**	**0**	0	0	0
(129,227)	Budget Pressures Reserve	(200,000)	0	**0**	**0**	0	0	0
2,490,052	Business Rates Equalisation reserve	(2,345,206)	(2,510,175)	**(3,471,080)**	**(1,274,014)**	1,978,376	1,978,377	0
87,376	Car Park Maintenance reserve	(1,003,790)	(1,235,033)	**272,950**	**272,950**	476,000	614,000	753,000
62,500	Election Costs reserve	62,500	(124,075)	**62,500**	**62,500**	63,000	63,000	63,000
11,278	Insurance reserve	(530)	6,879	**0**	**0**	0	0	0
(896,802)	IT Renewals reserve	(534,290)	(534,290)	**542,710**	**542,710**	543,000	543,000	543,000
3,240	Invest to Save reserve	814,079	(273,476)	**(10,000)**	**(10,000)**	250,000	250,000	250,000
(68,644)	Energy Management reserve	0	0	**0**	**0**	0	0	0
(351,438)	New Homes Bonus reserve	8,646	(41,144)	**351,019**	**351,019**	23,000	(12,000)	0
(169,709)	On Street Parking reserve	(239,780)	(278,643)	**(260,070)**	**(260,070)**	(260,000)	(260,000)	(260,000)
(4,522,771)	Pensions Reserve (Statutory)	0	0	**0**	**0**	0	0	0
(300,000)	Recycling Reserve	0	(150,000)	**0**	**0**	0	0	0
13,340	Spectrum reserve	185,140	185,140	**188,843**	**188,843**	193,000	196,000	200,000
398,488	Carry Forward Items	0	(1,009,954)	**0**	**0**			
1,148,316	Other reserves	17,510	2,280,755	**(477,090)**	**(477,090)**	112,000	115,000	118,000
16,302,434	***Total after transfers to and from reserves***	**13,422,304**	**13,325,538**	**15,401,703**	**17,598,769**	**17,495,981**	**17,649,397**	**17,119,520**
	Business Rates Retention Scheme payments							
22,269,018	Business Rates tariff payment	31,332,993	31,332,993	**33,119,290**	**33,119,290**	33,235,000	33,888,000	34,541,000
(475,774)	Business Rates tariff payment from MHCLG	0	0	**0**	**0**			
0	Business Rates - levy payment to MHCLG	1,274,000	1,274,000	**1,209,630**	**810,933**	0	0	0
0	Business Rates - Levy Payment to Surrey - Croydon pool	0	0	**0**	**0**	0	0	0
(973,269)	Business Rates - Pilot gain from Surrey Pilot Pool	0	0	**0**	**0**	0	0	0
	Non specific government grants			**0**				
(1,184,857)	s31 grant re BRR scheme	(1,825,148)	(1,825,148)	**(3,176,105)**	**(1,959,000)**	0	0	0
(21,976)	s31 grant re Council Tax			**0**	**0**	0	0	0
0	Reduction to SFA following fair funding review			**0**	**0**	441,000	589,000	736,000
0	Transition grant / additional BRRS tariff			**0**	**0**	(146,370)	(169,800)	(195,300)
(23,862)	Other government grant	(44,208)	(44,208)	**0**	**0**	0	0	0
(1,200,586)	New Homes Bonus grant	(1,039,201)	(1,039,201)	**(851,019)**	**(851,019)**	(178,000)	(113,000)	0
34,691,128	**GUILDFORD BOROUGH COUNCIL NET BUDGET**	**43,120,740**	**43,023,974**	**45,703,498**	**48,718,973**	**50,847,611**	**51,843,597**	**52,201,220**
1,631,985	Parish Council Precepts	1,740,697	1,740,697	**1,741,000**	**1,741,000**	**1,741,000**	**1,741,000**	**1,741,000**
36,323,113	**TOTAL NET BUDGET**	**44,861,437**	**44,764,671**	**47,444,498**	**50,459,973**	**52,588,611**	**53,584,597**	**53,942,220**
(26,159,016)	Business Rates - retained income	(34,941,330)	(34,941,330)	**(35,510,640)**	**(34,713,245)**	(36,223,000)	(36,934,000)	(37,646,000)
0	Revenue support grant	0	0	**0**	**0**	0	0	0
52,958	Collection Fund (surplus)/deficit - Business Rates	1,493,170	1,493,170		**(3,812,870)**	0	0	0
38,032	Collection Fund (surplus)/deficit - Council Tax	85,997	85,997		**0**	0	0	0
10,255,087	**COUNCIL TAX REQUIREMENT**	**11,499,274**	**11,402,508**	**11,933,858**	**11,933,858**	**16,365,611**	**16,650,597**	**16,296,220**
	Projected (under)/over spend @ m8		(96,766)					
			(11,499,274)					
8,623,102	**Council tax requirement excluding Parish Precepts**	9,758,578		**10,192,858**	**10,192,858**	14,624,611	14,909,597	14,555,220
	Tax base	56,795.35		**57,645.39**	**57,645.39**	58,262	59,005	59,915
	Band D Tax (Borough Only)	171.82		**176.82**	**176.82**	**251.01**	**252.68**	**242.93**
	% Increase			**2.91%**	**2.91%**	41.96%	0.67%	-3.86%
	Band D Tax (incl Parishes)			**207.02**	**207.02**	280.90	282.19	271.99
	Target 1.9% per annum				**1.90%**	1.90%	1.90%	1.90%
	Council tax @ target increase			176.82	176.82	180.18	183.60	187.09
	Borough Council demand for target tax rise (£5)			**10,192,858**	**10,192,858**	10,497,620	10,833,500	11,209,570
	Current demand			**10,192,858**	**10,192,858**	14,624,611	14,909,597	14,555,220
	Cumulative Budget Gap			**0**	**(0)**	4,127,000	4,076,000	3,346,000
	In year budget gap			**0**	**(0)**	4,127,000	(51,000)	(730,000)
				Increase @ £5	Increase @ £5			

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GUILDFORD BOROUGH COUNCIL
GENERAL FUND BUDGET 2020-21

FEES AND CHARGES

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
To be approved by Council			
Gypsy Caravan Sites - Pitch Rental			
Ash Bridge & Cobbetts Close Sites (per week)	80.00	82.50	3.1%
Home Farm	83.00	85.50	3.0%
Stray Dogs			
A £25.00 statutory fee is included within the charge.			
1st day or part of day	108.50	120.00	10.6%
2nd day or part of day	131.00	140.00	6.9%
3rd day or part of day	153.00	161.00	5.2%
4th day or part of day	180.00	189.00	5.0%
5th day or part of day	207.00	218.00	5.3%
6th day or part of day	234.50	247.00	5.3%
7th day or part of day	271.00	285.00	5.2%
Microchipping of Dogs (England) Regulations 2015			
Microchipping of dog - seizure of dog, microchipping by vet and return to owner	63.50	Fee no longer applicable	
Registration – Acupuncture, tattooing, etc.			
Premises and/or One Practitioner	177.00	245.00	38.4%
Per Additional Practitioner	55.00	93.00	69.1%
Food Hygiene Revisits	182.00	305.00	67.6%
Pest Control			
(The charges shown are based on the cost of labour, transport plus materials)			
Domestic Premises			
Wasps (max 1 nest per premise)	68.00 *	70.00 *	2.9%
Wasps (extra nest at same visit)	35.00 *	38.00 *	8.6%
Other Treatments	83.00 *	85.00 *	2.4%
Other Treatments (houses of multiple occupation)	115.00 *	120.00 *	4.3%
Rodents	Free of Charge	Free of Charge	
Domestic Premises where the main occupier is receiving income support or benefits			
Wasps (max 1 nest per premise)	35.00 *	38.00 *	8.6%
Wasps (extra nest at same visit)	35.00 *	38.00 *	8.6%
Other Treatments	50.00 *	55.00 *	10.0%
Rodents	Free of Charge	Free of Charge	

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Services of Environmental Health Officer			
- per hour or part thereof	67.00 *	63.00 *	-6.0%
****Due to the England Local Authority review of fees and charges these may be subject to change****			
Miscellaneous			
Extracts from Registers - Food Safety Act, per page. Under the Freedom of Information Act 2000 the charge is waived as the cost of collecting the fee is more than the charge.	Free of Charge	Free of Charge	
Sex Establishments - Fixed by Council			
Application fee	1,325.00	1,522.00	14.9%
Fee of Grant	206.00	155.00	-24.8%
Contaminated Land & Air Quality			
Responding to enquiries about contaminated land – report with plan - First hour with administration	101.00	86.00	-14.9%
Each additional hour	90.00	82.00	-8.9%
Note: for more extensive enquiries the fee is based on the hourly rate of the EHO added to the basic fee			
Private water supply			
Private water supply with a distribution network - investigation when a sample fails	Hourly rate £90.00 maximum £100	Hourly rate £82.00 maximum £100	-8.89%
Large private water supply - risk assessment	Hourly rate £90.00 maximum £500	Hourly rate £82.00 maximum £500	-8.89%
Large Private water supply - investigation when a sample fails	Hourly rate £90.00 maximum £100	Hourly rate £82.00 maximum £100	-8.89%
Large Private water supply - analysing a sample taken during check monitoring group A parameters	Hourly rate £90.00 maximum £100	Hourly rate £82.00 maximum £100	-8.89%
Large Private water supply - analysing a sample taken during check monitoring group B parameters	Hourly rate £90.00 maximum £500	Hourly rate £82.00 maximum £500	-8.89%
Other private water supply not covered by regulation 8 and 9 supplies - risk assessment	Hourly rate £90.00 maximum £500	Hourly rate £82.00 maximum £500	-8.89%
Other private water supply not covered by regulation 8 and 9 supplies - investigation when a sample fails	Hourly rate £90.00 maximum £100	Hourly rate £82.00 maximum £100	-8.89%
Analysing a sample –Taken under regulation 10	Cost as charged by labs not exceeding £25	Cost as charged by labs not exceeding £25	
Analysing a sample –Taken during check monitoring	Cost as charged by labs not exceeding £100	Cost as charged by labs not exceeding £100	
Analysing a sample –Taken during audit monitoring	Cost as charged by labs not exceeding £500	Cost as charged by labs not exceeding £500	
Extracts from Registers			
Environmental Protection Act - per page	Free of Charge	Free of Charge	
Miscellaneous			
Reports to Solicitors on the circumstances relating to workplace accidents (excl. cost of photographs) - up to 2 hours, extra charged at the hourly rate			
From April 2017 this will be charged at the hourly rate	72.00	63.00	-12.5%

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Animal Activities Licensing			
The law has changed as of 1 October 2018 and the Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 are now in force.			
Premises already licensed under the old legislation will continue to be licensed until such time as their licence expires. They will then have to apply for a new licence under the new regulations.			
Animal Boarding			
Application Fee	400.00	672.00	68.0%
Fee for Grant	123.00	271.00	120.3%
Any vet fees will be payable upon application and as required for licence duration			
Home Boarding			
Application Fee	400.00	672.00	68.0%
Fee for Grant	123.00	271.00	120.3%
Any vet fees will be payable upon application and as required for licence duration			
Dog Day Care			
Application Fee	400.00	672.00	68.0%
Fee for Grant	123.00	271.00	120.3%
Any vet fees will be payable upon application and as required for licence duration			
Dog Breeding			
Application Fee	400.00	777.00	94.3%
Fee for Grant	123.00	213.00	73.2%
Any vet fees will be payable upon application and as required for licence duration			
Keeping Animals for Exhibition			
Application Fee	391.00	283.00	-27.6%
Fee for Grant	123.00	142.00	15.4%
Any vet fees will be payable upon application and as required for licence duration			
Selling Animals as Pets			
Application Fee	400.00	446.00	11.5%
Fee for Grant	123.00	223.00	81.3%
Any vet fees will be payable upon application and as required for licence duration			
Hiring out Horses			
Application Fee	400.00	545.00	36.3%
Fee for Grant	123.00	273.00	122.0%
Any vet fees will be payable upon application and as required for licence duration			

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Dangerous Wild Animals			
-New	321.00	408.00	27.1%
-Renewal	305.00	213.00	-30.2%
Zoo Licence			
-New	1,007.00	2,375.00	135.8%
-Renewal	926.00	2,375.00	156.5%
Each Additional Licence Activity			
Application Fee	83.00	83.00	0.0%
Fee for Grant	91.00	91.00	0.0%
Each Additional Inspection	101.00	101.00	0.0%
Advisory Visit	101.00	TBC to be set as part of a wider charging for advice regime	
Variation to Licence	224.00	224.00	0.0%
Re-evaluation of Rating	224.00	224.00	0.0%
Variations to reduce the licensable activities or numbers of animals	92.00	92.00	0.0%
Transfer due to death of Licensee	92.00	92.00	0.0%
Street Trading			
Street Trading Total Fee	795.00	359.00	-54.8%
Street Trading Community Event	21.00	40.00	90.5%
Charges for issue of a consent under the provisions of the Local Government (Miscellaneous) Provisions Act 1982			
Day Centres			
Price per meal:			
Member	4.30	4.40	2.3%
Non member	6.00	6.20	3.3%
Main course only - member	3.00	3.10	3.3%
Main course only - non member	4.20	4.30	2.4%
Dessert only - member	1.30	1.40	7.7%
Dessert only - non member	1.90	2.00	5.3%
Theme Meal - member	5.80	6.00	3.4%
Theme Meal - non member	7.40	7.50	1.4%

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Membership Fees:			
Day Centre only	12.90	13.00	0.8%
Day Centre and Dial a Ride (50% is for Community Transport)	19.60	20.00	2.0%
Membership Top Up Transport	6.70	6.80	1.5%
Membership Top Up Transport	6.70	6.80	1.5%
Day Centre Activities**	3.30	3.40	3.0%
Income from other services***e.g. hairdressing and chiropody (% of takings)	20%	20%	0.0%
***These are activities such as Tai Chi and Line Dancing provided by external facilitators*			
**** These charges were previously retained by the centre welfare funds*			
Meals on Wheels Service			
Price per meal	4.30	4.40	2.3%
Hire of Halls			
Voluntary and Not for Profit Providers per Hour	20.60	25.00	21.4%
Educational Activities	25.80	26.00	0.8%
Private hire	30.90	35.00	13.3%
Half Day	103.00	110.00	6.8%
Full Day	206.00	220.00	6.8%
Community Transport Service			
Single Membership Fees:	12.90	13.00	0.8%
Dial a Ride only	12.90	13.00	0.8%
Community Transport to Day Centre	12.90	13.00	0.8%
Day Centre and Dial a Ride (half this fee relates to Day Centres)	19.60	20.00	2.0%
Group Membership Fees:	51.50	60.00	16.5%
Vehicle Hire per 1/2 hr	9.30	10.00	7.5%
Charge per mile	0.60	1.00	66.7%
Passenger charge (min 5 people)	5.20	6.00	15.4%

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Single Journey			
1 mile	2.80	2.90	3.6%
2 miles	3.30	3.40	3.0%
3 miles	3.80	3.90	2.6%
4 miles	4.30	4.40	2.3%
5 miles	4.80	4.90	2.1%
6 miles	5.40	5.50	1.9%
7 miles	5.90	6.00	1.7%
8 miles	6.40	6.50	1.6%
9 miles	6.90	7.00	1.4%
10 miles	7.40	7.50	1.4%
11 miles	7.90	8.00	1.3%
12 miles	8.40	8.50	1.2%
13 miles	9.00	9.50	5.6%
14 miles	9.50	10.00	5.3%
15 miles. Journeys above 15 miles are not undertaken.	10.00	10.50	5.0%
Handyperson Service - Available for the over 60's, disabled and vulnerable			
General Services (per hour incl VAT)	24.00 *	25.00 *	4.2%
General Services for those on benefits (per hour incl VAT)	14.00 *	15.00 *	7.1%
Safe and Secure Works for those on benefits	Free of Charge	Free of Charge	
Approved under Delegated Authority			
Private Sector Housing			
HMO Licences	630.00	885.00	40.5%
(Discount of £25 if applicant is a member of a recognised landlord organisation)			
(Discount of £50 if applicant is an accredited Landlord of the Guildford Letting Scheme)			
(Both discounts can not be applied at the same time)			
Late application fee	120.00	No longer applicable	
Careline			
Weekly Charges			
Sheltered accommodation clients	0.60	0.60	0.0%
Elderly Persons dwellings clients	2.75	3.25	18.2%
Private Sector Clients (dispersed alarms)	4.45	4.60	3.4%
Responder Services (out of hours)	1.40	1.40	0.0%

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Caravan Licence			
New Licence Application			
Number of Pitches 1 - 5	525.00	375.00	-28.6%
Number of Pitches 6 - 15	565.00	391.00	-30.8%
Number of Pitches 16 - 45	606.00	516.00	-14.9%
Number of Pitches 46 and greater	646.00	563.00	-12.8%
Transfer of Existing Licence			
Number of Pitches 1 - 5	132.00	136.00	3.0%
Number of Pitches 6 - 15	132.00	136.00	3.0%
Number of Pitches 16 - 45	132.00	136.00	3.0%
Number of Pitches 46 and greater	132.00	136.00	3.0%
Application to vary a Site Licence			
Number of Pitches 1 - 5	216.00	236.00	9.3%
Number of Pitches 6 - 15	271.00	252.00	-7.0%
Number of Pitches 16 - 45	324.00	283.00	-12.7%
Number of Pitches 46 and greater	379.00	330.00	-12.9%
Annual Licence Fee			
Number of Pitches 1 - 5	84.00	446.00	431.0%
Number of Pitches 6 - 15	112.00	514.00	358.9%
Number of Pitches 16 - 45	170.00	634.00	272.9%
Number of Pitches 46 and greater	340.00	682.00	100.6%
Deposit of Site Rules			
Number of Pitches 1 - 5	33.00	35.00	6.1%
Number of Pitches 6 - 15	33.00	35.00	6.1%
Number of Pitches 16 - 45	33.00	35.00	6.1%
Number of Pitches 46 and greater	33.00	35.00	6.1%
Scrap Metal			
Site Licence	302.00	204.00	-32.5%
Mobile Collector	209.00	187.00	-10.5%

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Local Authority Pollution Protection Control			
Fees are set by Statute and are available on request from the Environmental Control service.			
Hackney Carriages and Private Hire Vehicles			
Hackney Carriage Vehicle (new/renew)	249.74	#	
Private Hire Vehicle (new/renew)	173.69	#	
Hackney Licence Vehicle Change	24.05	#	
Vehicle Licence Plates	14.79	#	
Private Hire Vehicle Change	24.05	#	
Test Fee	57.00	#	
Hackney carriage temporary vehicle licence (3 months)	89.25	#	
Private hire temporary vehicle licence (3 months)	70.19	#	
Private hire vehicle signs (two signs)	20.80	#	
Hackney Carriage and Private Hire Drivers			
Hackney Drivers Licence Fee (new/renew)	383.55	#	
Private Hire Drivers Licence Fee (new/renew)	383.55	#	
Hackney Drivers Knowledge Test	100.50	#	
Private Hire Drivers Knowledge Test	25.47	#	
Private Hire Replacement Badge	13.66	#	
Convert from Private Hire Driver to Hackney Carriage Driver	18.60	#	
Private Hire Operators Licence	970.97	#	

subject of a report to Licensing Committee on 6 January 2020, and a further period of statutory consultation.

Agenda item number: 11
Appendix 3

* = includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Statutory Permits			
Unlicensed Family Entertainment Centre			
- new application	300.00	300.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	300.00	300.00	0.0%
- change of name	25.00	25.00	0.0%
- copy permit	15.00	15.00	0.0%
Club Gaming Permit			
- new application	200.00	200.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	200.00	200.00	0.0%
- vary permit	100.00	100.00	0.0%
- annual fee	50.00	50.00	0.0%
- copy permit	15.00	15.00	0.0%
Club Machine Permit			
- new application	200.00	200.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	200.00	200.00	0.0%
- vary permit	100.00	100.00	0.0%
- annual fee	50.00	50.00	0.0%
- copy permit	15.00	15.00	0.0%
Premises licensed to sell alcohol			
- notification (automatic entitlement)	50.00	50.00	0.0%
- new application	150.00	150.00	0.0%
- fast track application	100.00	100.00	0.0%
- change of name	25.00	25.00	0.0%
- vary permit	100.00	100.00	0.0%
- annual fee	50.00	50.00	0.0%
- copy permit	15.00	15.00	0.0%
- transfer permit	25.00	25.00	0.0%
Prize Gaming Permit			
- new application	300.00	300.00	0.0%
- fast track application	100.00	100.00	0.0%
- renewal	300.00	300.00	0.0%
- change of name	25.00	25.00	0.0%
- copy permit	15.00	15.00	0.0%
Lotteries			
- registration of society	40.00	40.00	0.0%
- renewal (annual fee)	20.00	20.00	0.0%

* = includes VAT at 20%

Approved by the Government Fee to be applied by Guildford Borough Council

Environmental Protection Act 1990-Fees for authorisation of industrial process Note: these fees are prescribed nationally by regulation and are reviewed annually by DCLG.

Statutory Maximum

Classes of Premises licence	Non-conversion application fee in respect of other premises	Annual fee	Maximum fee for application to vary licence	Fee for application to transfer a licence	Fee for application for reinstatement of a licence	Fee for application for provisional statement	Fee for Licence Application (provisional Statement Holders)	Fee for Copy Licence	Fee for Notification of Change
	£	£	£	£	£	£	£	£	£
Regional casino premises licence	15,000.00	15,000.00	7,500.00	6,500.00	6,500.00	15,000.00	8,000.00	25.00	50.00
Large casino premises licence	10,000.00	10,000.00	5,000.00	2,150.00	2,150.00	10,000.00	5,000.00	25.00	50.00
Small casino premises licence	8,000.00	5,000.00	4,000.00	1,800.00	1,800.00	8,000.00	3,000.00	25.00	50.00
Bingo premises licence	3,500.00	1,000.00	1,750.00	1,200.00	1,200.00	3,500.00	1,200.00	25.00	50.00
Adult gaming centre premises licence	2,000.00	1,000.00	1,000.00	1,200.00	1,200.00	2,000.00	1,200.00	25.00	50.00
Betting premises (track) licence	2,500.00	1,000.00	1,250.00	950.00	950.00	2,500.00	950.00	25.00	50.00
Family entertainment centre premises licence	2,000.00	750.00	1,000.00	950.00	950.00	2,000.00	950.00	25.00	50.00
Betting premises (other) licence	3,000.00	600.00	1,500.00	1,200.00	1,200.00	3,000.00	1,500.00	25.00	50.00

Guildford Borough Council Fee

Classes of Premises licence	Non-conversion application fee in respect of other premises	Annual fee	Maximum fee for application to vary licence	Fee for application to transfer a licence	Fee for application for reinstatement of a licence	Fee for application for provisional statement	Fee for Licence Application (provisional Statement Holders)	Fee for Copy Licence	Fee for Notification of Change
	£	£	£	£	£	£	£	£	£
Regional casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Large casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Small casino premises licence	2,513.21	845.84	2,513.21	926.87	926.87	2,513.21	2,513.21	15.00	30.00
Bingo premises licence	2,449.78	724.23	1,449.78	864.29	864.29	2,449.78	958.94	15.00	30.00
Adult gaming centre premises licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	493.28	15.00	30.00
Betting premises (track) licence	1,984.12	590.37	984.12	273.53	764.36	1,984.12	493.28	15.00	30.00
Family entertainment centre premises licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	493.28	15.00	30.00
Betting premises (other) licence	1,984.12	590.37	493.28	273.53	764.36	1,984.12	764.36	15.00	30.00

	2019-20 From 1 April 2019 £		2020-21 From 1 April 2020 £		Increase %
To be approved by Council					
Off Street Car Park Charges					
Contract Car Parking					
Main car parks - Monday to Friday only - Per year	2,528.19	*	2,528.19	*	0.0%
Main car parks - Saturday only - Per year	505.76	*	505.76	*	0.0%
Main car parks - Monday to Saturday only - Per year	3,033.64	*	3,033.64	*	0.0%
Stoke Fields, Stoke Road, and Eagle Road car parks - Resident rate - Per year	607.47	*	607.47	*	0.0%
Season Ticket Parking					
Farnham Road car park - Monday to Friday only - Per year	1,964.70	*	1,964.70	*	0.0%
Farnham Road car park - Monday to Saturday only - Per year	2,357.62	*	2,357.62	*	0.0%
York Road car park - Monday to Friday only - Per year	2,062.94	*	2,166.08	*	5.0%
York Road car park - Monday to Saturday only - Per year	2,475.50	*	2,599.27	*	5.0%
Bedford Road car park - Monday to Friday only - Per year	2,210.65	*	2,210.65	*	0.0%
Guildford Park car park - Monday to Friday only - Per year	1,030.00	*	1,030.00	*	0.0%
Garages					
Gardner Road, Stoke Fields, Bedford Sheds - Residents only - Per year	764.72	*	764.72	*	0.0%
Gardner Road, Stoke Fields, Park Road - Non-residents - Per year	1,284.96	*	1,284.96	*	0.0%
Bedford Road Sheds - Non-resident - Per year	1,841.03	*	1,841.03	*	0.0%
Penalty Fee Notice					
Pay and display space	25.00		25.00		0.0%
Permit space	35.00		35.00		0.0%
On Street Car Park Charges					
Parking Meter Charges					
Town centre - charge per 30 minutes	1.00		1.00		0.0%
Town centre - charge per 30 minutes, 2 hr bays	0.80		0.80		0.0%
Other on-street parking bays, 3 hr bays	0.60		0.60		0.0%
Resident Permit					
First permit - per year	50.00		50.00		0.0%
Second permit - per year	80.00		80.00		0.0%
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount					

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Visitor Permit			
Per permit	2.00	2.00	0.0%
Business Permit			
First permit - per year	40.00	40.00	0.0%
Second permit - per year	80.00	80.00	0.0%
Vehicles under 1200cc or powered by an alternative fuel source are entitled to a 20% discount			
Carers Permit			
Per permit - Per year	5.00	5.00	0.0%
Penalty Fee Notice			
Pay and display space	25.00	25.00	0.0%
Permit space	35.00	35.00	0.0%
Markets			
North Street - Market Stall per day per metre, stall frontage	15.00	15.00	0.0%
Refuse Collection Service			
Special Collection of Household Refuse	Price on application	Price on application	
For a single item	Price on application	Price on application	
For 2 to 5 items	Price on application	Price on application	
For the collection of large quantities with charges being assessed by a Council Inspector			
Domestic Waste per hour or part thereof (Minimum charge 1 hour)	Price on application	Price on application	
Commercial Waste per hour or part thereof (Minimum 2 hours)	Price on application	Price on application	
Duty of care certificate	22.50 *	23.50 *	4.4%
Dog Fouling			
Fixed Penalty Charge	not applicable	not applicable	
Replaced by public spaces protection orders (Anti Social Behaviour, Crime and Policing Act 2014)- fines of up to £100 on the spot or up to £1,000 if the matter goes to court			

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Approved under Delegated Authority			
Cleansing			
Provision of bins to housing developments & redevelopments			
Initial supply and delivery of one refuse and one recycling standard 140ltr, 240ltr or 360ltr bins to new or refurbished properties	60.00	60.00	0.0%
Initial supply and delivery of 770ltr bins to new properties	280.78	290.00	3.3%
Initial supply and delivery of 1100ltr bins to new properties	279.50	295.00	5.5%
Charges for 770ltr and 1100ltr bins are subject to change to reflect the cost to the Council of purchasing the bins from our supplier.			
Recycling - Green Waste Bins			
Per Bin	38.00	41.00	7.9%
Replacement Bin	30.00	30.00	0.0%
1 Set of 4 - 60 litre sacks	38.00	41.00	7.9%
Refuse			
Replacement Bin	30.00	30.00	0.0%
Miscellaneous for Small Businesses			
Sharps collection - service agreement for 6 months delivery and removal of 25 x 7cl Sharps boxes on monthly collection.	Price on application	Price on application	
Food Waste			
Trade collection (per 120 litre container)	Price on application	Price on application	
School collection (per 120 litre container)	Price on application	Price on application	
Abandoned Vehicles			
Recovery and Release of vehicle	105.00	108.00	2.9%
Daily Charge (Monday to Friday)	12.00	12.00	0.0%
Approved by Government			
Public			
MOT	54.80	54.80	0.0%
Re-test within 24 hours on minor items	Free of charge	free of charge	
Re-test within 10 days	27.40	27.40	0.0%
Thereafter full cost			

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Taxi			
Vehicle Inspection Fee	57.00	58.00	1.8%
MOT carried out as part of the Taxi Inspection (to be booked at the same time)	27.40	27.40	0.0%
For a full list of charges please contact the MOT bay			

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
To be approved by Council			
Parks and Open Spaces			
Tennis-Stoke Park and Sutherland Memorial Park			
Adult per court, per hour	6.70	6.90	3.0%
Junior (under 18) & concession price, per court, per hour	5.70	5.90	3.5%
Coaching	6.70	6.90	3.0%
Burpham Tennis Club	5.70	5.90	3.5%
Mini Golf - Stoke Park			
Adults	4.50	4.60	2.2%
Children	3.00	3.10	3.3%
Family Ticket (2 adults and 3 under 16's)	12.50	12.80	2.4%
Cricket: **All sites**			
Evening 17:00 hrs onwards - Adults (up to 4 hours)	99.00	100.00	1.0%
Full Day - Adults (22 yrs)	134.00	135.00	0.7%
Standard Pitch - Under 18's	43.00	43.50	1.2%
Small Pitch - Junior teams under 15's	32.50	33.00	1.5%
Football - All sites			
Grass football pitch 3 hours - U18's 11-a-side football	48.50	49.00	1.0%
Grass football pitch 3 hours - Adult 11-a-side football	88.00	89.00	1.1%
Grass football pitch 90 minutes - 9v9 football	33.00	33.50	1.5%
Grass football pitch 90 minutes - 7v7 football	32.00	32.50	1.6%
Grass football pitch 90 minutes - 5v5 football	30.00	30.50	1.7%
Grass football training (no pitch use) 2 hours - Footbal training area		30.50	New Charge
Rugby:			
Rugby pitch 2 hours - U18's rugby	48.50	49.00	1.0%
Rugby pitch 2 hours - Adult rugby	88.00	89.00	1.1%
Rugby training (no pitch use) 2 hours - Rugby training area	30.00	30.50	1.7%
Touch rugby 2 hours - U18's touch rugby	48.50	49.00	1.0%
Netball - Stoke Park (Adult)	35.00	35.50	1.4%
Netball - Stoke Park (School usage and U18**)**	17.00	17.50	2.9%
Softball/Rounders - (Adult)	43.00	43.50	1.2%
Softball/Rounders - (School and U18)	24.00	24.50	2.1%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Grass Athletics Track - Stoke Park (Adult groups/Organisations) 2 hours	87.00	88.00	1.1%
Grass Athletics Track - Stoke Park (Schools and U18 groups) 2 hours	48.50	49.00	1.0%
Lacrosse:			
Stoke Park - Adults	87.00	88.00	1.1%
Stoke Park - School usage and youth (Under 18's)	48.50	49.00	1.0%
Table Tennis - All Per 30 minutes	1.00	1.00	0.0%
Frisbee pitch 2 hours (All)	33.00	34.00	3.0%
Event all Sites			
Price on application (minimum charge £50 per day)	Price on application	Price on application	
Community events receive a 50% discount			
Charity and 100% fundraising events receive a 60% discount			
Circuses and Fun Fairs			
Per day on site including set up/dismantle (Shalford Common only)	Price on application	Price on application	
Per day on site (all other sites) if onsite longer than 6 days receive a 5% discount			
Set up/dismantle fee per day			
Filming all Sites: -			
Per Event - Per Day on Site (Negotiable) Minimum £50 - Maximum £1,000 per day	Price on application	Price on application	
Fitness Sessions	Price on application	Price on application	
Forest school use of site - per child per visit	2.00	2.00	0.0%
Car Parking Only All Sites:			
Per Day on Site (not in conjunction with event hire)	Price on application	Price on application	
Commemorative Benches (All sites)	Price on application	Price on application	
Shalford Park:			
Camping and Caravanning (Club Use) - per unit per night	9.50 *	9.70 *	2.1%
Chantries Camp Site: per person per day/night	4.75 *	5.00 *	5.3%
Minimum charge for groups of 3 persons or under	15.00 *	15.00 *	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Sutherland Memorial Park			
Astro Pitch 5-a-side			
All - per court per hour before 4pm (Weekdays and weekend)	10.50	11.00	4.8%
5-a-side Football per court per hour including floodlights - Adults	49.50	50.00	1.0%
5-a-side Football per court per hour including floodlights - Youth (Under 18's)	25.00	25.50	2.0%
Balloon Flights			
Seasonal annual agreement paid in advance for take off rights per site	625.00	645.00	3.2%
Greenark			
Commercial - Each hour or part	20.00	20.00	0.0%
Community - Each hour or part	17.00	17.00	0.0%
For regular users book 10 and receive 10% discount			
Approved under Delegated Authority			
Guildford Crematorium			
Cremation Fees			
For the cremation of a child whose age at death did not exceed 18 years (incl medical referee fees)	free of charge	free of charge	
For the cremation of a person whose age at the time of death exceeded 18 years (incl medical referee fees)	895.00	895.00	0.0%
Saturday cremation (09:00 am - 12 noon)	1,060.00	1,060.00	0.0%
Direct cremation	495.00	495.00	0.0%
Cancellation of diary booking with less than 48 hours notice and late delivery of papers	130.00	135.00	3.8%
Service of double or additional length; per 45 minutes additional fee of:	210.00	218.00	3.8%
Service which exceeds the allocated timeslot of 30 minutes	275.00	285.00	3.6%
Cremation of a child on a Saturday (9am - 12 noon)	free of charge	free of charge	
Cremation of Non Viable Foetus (NVF) (up to 24 weeks gestation)	free of charge	free of charge	
Fee for exhuming ashes if not for re-internment within the grounds	110.00	115.00	4.5%

NOTE: The cremation fee includes:
The use of the organ and the provision of a plastic urn if required or interment in the grounds.

Use of Chapel - service time of 30 minutes, waiting room, etc. and all attendances after coffin is placed on catafalque by funeral director. Use of Wesley music system not including CD/DVD copies or visual tribute
Laying to rest of ashes in Garden of Remembrance
Certificate of cremation for burial of ashes elsewhere.

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Wesley Music			
Audio recording of funeral service - 1st copy	48.00 *	50.00 *	4.2%
Audio recording of funeral service - additional copies	19.00 *	20.00 *	5.3%
DVD recording of funeral service - 1st copy	58.00 *	60.00 *	3.4%
DVD recording of funeral service - additional copies	24.00 *	25.00 *	4.2%
Wesley Tributes			
Wesley Visual Tribute (up to 30 images)	80.00 *	83.00 *	3.8%
Wesley Visual Tribute; per image after 30 images	1.75 *	1.80 *	2.9%
DVD copy of funeral service incorporating visual tribute	69.00 *	72.00 *	4.3%
DVD copy of funeral service incorporating visual tribute additional copy	24.00 *	25.00 *	4.2%
Urns and Containers			
Ashes Container	23.00	24.00	4.3%
Wooden Casket	70.00	75.00	7.1%
Decorative Urns	118.00	122.00	3.4%
Decorative keepsake urns	37.00	38.00	2.7%
Scatter tubes	43.00	45.00	4.7%
Child Scatter tubes	15.00	16.00	6.7%
Deposit of Ashes			
For the scattering of ashes in the Garden of Remembrance when cremation has taken place elsewhere	105.00	110.00	4.8%
Split of ashes to include 2x cremation certificate and 2x ashes containers for separate scattering elsewhere.	48.00	50.00	4.2%
Memorials and Inscriptions			
Entries in the Book of Remembrance			
2 line entry	100.00 *	105.00 *	5.0%
5 line entry	135.00 *	140.00 *	3.7%
5 line entry with motif	210.00 *	220.00 *	4.8%
8 line entry	165.00 *	170.00 *	3.0%
8 line entry with motif	242.00 *	250.00 *	3.3%
Motif	78.00 *	80.00 *	2.6%
Additional Lines	17.00 *	18.00 *	5.9%
Replicas of entries in Book of Remembrance Memorial Cards			
2 line entry	39.00 *	40.00 *	2.6%
5 line entry	61.00 *	63.00 *	3.3%
5 line entry with motif	140.00 *	143.00 *	2.1%
8 line entry	78.00 *	80.00 *	2.6%
8 line entry with motif	155.00 *	160.00 *	3.2%
Motif	78.00 *	80.00 *	2.6%
Additional Lines	17.00 *	18.00 *	5.9%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Miniature Books of Remembrance			
2 line entry	89.00 *	92.00 *	3.4%
5 line entry	125.00 *	130.00 *	4.0%
5 line entry with motif	200.00 *	210.00 *	5.0%
8 line entry	140.00 *	145.00 *	3.6%
8 line entry with motif	215.00 *	225.00 *	4.7%
Motif	78.00 *	80.00 *	2.6%
Additional Lines	17.00 *	18.00 *	5.9%
Adoption of Rose Trees (including nameplate)			
Standard Roses (5 years) with aluminium plaque	560.00	580.00	3.6%
Renewals after initial period:			
(a) 5 years	315.00	325.00	3.2%
(b) 1 year	102.00	106.00	3.9%
Trees 5 years with aluminium plaque	n/a	795.00	New charge
Trees 10 years with aluminium plaque	n/a	1,400.00	New charge
Renewals after initial period:			
(a) 5 years	545.00	565.00	3.7%
(b) 1 year	155.00	160.00	3.2%
Plaques			
Aluminium Plaque with existing memorial	115.00 *	120.00 *	4.3%
Granite Plaque (6 x 4) with existing memorial	270.00 *	280.00 *	3.7%
Granite Plaque (7 x 5) with existing memorial	325.00 *	335.00 *	3.1%
Additional artwork on granite plaque	Price on application *	Price on application *	
Additional artwork on an aluminium plaque	Price on application *	Price on application *	
Photo plaque on granite plaque	Price on application *	Price on application *	
Wall plaque with design for 5 years	Price on application *	Price on application *	
Double plaque for 5 years with design	Price on application *	Price on application *	

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Seats			
Seats wooden 5 feet length (for a period of 10 years)	2,000.00 *	Price on application *	
Seats Granite Columbaria (for a period of 10 years)	1,650.00 *	Price on application *	
Replacement or additional seat plaque 6" x 2"	98.00 *	101.00 *	3.1%
Photo plaque on a granite seat plaque	Price on application *	Price on application *	
Non standard motif on a granite seat plaque	Price on application *	Price on application *	
Standard motif on a granite seat plaque	Price on application *	Price on application *	
Restraining Charge	16.50 *	17.00 *	3.0%
Memorial Vault - Sanctum including wooden casket			
(a) 10 year adoption	1,400.00	1,450.00	3.6%
(b) 20 year adoption	2,000.00	2,075.00	3.8%
(c) 30 year adoption	2,700.00	2,800.00	3.7%
(d) 40 year adoption	3,325.00	3,450.00	3.8%
(e) 50 year adoption	4,050.00	4,200.00	3.7%
Per Letter after first 80 letters	3.30	3.40	3.0%
Standard motif	220.00	230.00	4.5%
Non standard motif	Price on application	Price on application	
Photo plaque	135.00	140.00	3.7%
Replacement Vault Tablet - Sanctum 2	370.00	385.00	4.1%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	370.00	385.00	4.1%
Memorial Vault - Renewal 5 years	345.00	360.00	4.3%
Memorial Vault - Renewal 10 years	685.00	715.00	4.4%
Memorial Vault - Renewal 20 years	1,370.00	1,425.00	4.0%
Vase Blocks - 10 years	625.00	650.00	4.0%
Standard motif on a vase block	220.00	230.00	4.5%
Non standard motif on a vase block	Price on application	Price on application	
Photo plaque on a vase block	95.00	100.00	5.3%
Renewal of Vase Block for 5 years	290.00	300.00	3.4%
Replacement of Vase in memorial vaults	16.50	17.00	3.0%
Replacement of Vase in vase blocks	16.50	17.00	3.0%
Replacement vase for vaseblock vault	16.50	17.00	3.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Sundials			
Sundial Tablets Older style- Lower Tablet (when available)	635.00	660.00	3.9%
Sundial Tablets Older style- Middle Tablet (when available)	600.00	620.00	3.3%
Sundial Tablets Older style- Top Tablet (when available)	550.00	570.00	3.6%
Renewal of a Sundial Tablets Older style- Lower Tablet - 5 years	297.00	307.00	3.4%
Renewal of a Sundial Tablets Older style- Middle Tablet - 5 years	297.00	307.00	3.4%
Renewal of a Sundial Tablets Older style- Top Tablet - 5 years	297.00	307.00	3.4%
Replacement sundial tablet	248.00	257.00	3.6%
New Sundial Tablet first row for a period of 10 years	550.00	570.00	3.6%
New Sundial Tablet second row for a period of 10 years	550.00	570.00	3.6%
New Sundial Tablet third row for a period of 10 years	600.00	620.00	3.3%
New Sundial Tablet forth row for a period of 10 years	610.00	630.00	3.3%
New Sundial Tablet fifth row for a period of 10 years	645.00	670.00	3.9%
Standard motif on a sundial tablet	218.00	225.00	3.2%
Photo plaque on a sundial tablet	Price on application	Price on application	
Photo plaque under Sundial Tablets for 10 years - Newer style	Price on application	Price on application	
Non standard motif on a sundial tablet	Price on application	Price on application	
Children's Memorial Garden			
Rockery Boulder for 5 years	215.00	240.00	11.6%
Memorial mushroom plaque for 5 years	265.00	275.00	3.8%
Private gardens	840.00	870.00	3.6%
Use of Chapel for Memorial Service (no cremation)	510.00	510.00	0.0%
Reproduction of cremation certificate	24.00	25.00	4.2%
Assistance with bearing of a coffin into the chapel	40.00	45.00	12.5%
Assistance with bearing of a coffin into the chapel with no notice	n/a	60.00	New charge
Cemeteries			
Guildford, Stoke New and Old Cemeteries - Interments			
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-			
Unpurchased grave for a child	80.00	free of charge	
Unpurchased grave for an adult	510.00	510.00	0.0%
Resident			
For the interment in a grave which has already been purchased - the body of a person exceeding 18 years			
To a single depth (5ft)	870.00	900.00	3.4%
To a double depth (7ft)	950.00	995.00	4.7%
Interment of cremated remains in a grave	370.00	385.00	4.1%
Interment of cremated remains in cremated remains plots at Stoke Cemetery	370.00	385.00	4.1%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
For the interment in a grave which has already been purchased - the body of a child not exceeding 18 years			
To a single depth (5ft)	free of charge	free of charge	
To a double depth (7ft)	free of charge	free of charge	
Interment of cremated remains in a grave	free of charge	free of charge	
Interment of cremated remains in cremated remains plots at Stoke Cemetery	138.00	free of charge	
The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of:	465.00	485.00	4.3%
For every hour after 5pm	100.00	105.00	5.0%
Exclusive Rights of Burial in Earthen Graves:			
Traditional and Lawn Section			
In an earthen grave 7ft 6 ins x 3ft 6 ins	1,955.00	2,020.00	3.3%
In an earthen grave 6ft x 3ft - Children's section	895.00	925.00	3.4%
Extension of Exclusive Right of Burial for additional five years	325.00	340.00	4.6%
Garden of Remembrance (Cremated remains)	585.00	600.00	2.6%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.			
Memorials			
Permit to erect a memorial	225.00	240.00	6.7%
Additional inscription on an existing memorial	112.00	116.00	3.6%
Permit to erect a vase with inscription	112.00	116.00	3.6%
Permit to erect a vase without inscription	Free of charge	Free of charge	
Permit to clean a memorial	15.00	15.00	0.0%
Permit for added inscription which requires removal of stone	225.00	225.00	0.0%
Permit for added inscription (done on site)	112.00	112.00	0.0%
Permit for remedial repair	45.00	45.00	0.0%
Memorial Vault - Sanctum			
(a) 10 year adoption	1,400.00	1,450.00	3.6%
(b) 20 year adoption	2,000.00	2,075.00	3.8%
(c) 30 year adoption	2,700.00	2,800.00	3.7%
(d) 40 year adoption	3,325.00	3,450.00	3.8%
(e) 50 year adoption	4,050.00	4,200.00	3.7%
Per Letter after first 80 letters	3.30	3.40	3.0%
Standard motif	220.00	230.00	4.5%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Non standard motif	Price on application	Price on application	
Photo plaque	135.00	140.00	3.7%
Sanctum Replacement Vault Tablet (up to 80 letters) Sanctum 2000	370.00	385.00	4.1%
Memorial Vault - Renewal 5 years	345.00	360.00	4.3%
Memorial Vault - Renewal 10 years	685.00	715.00	4.4%
Memorial Vault - Renewal 20 years	1,370.00	1,425.00	4.0%
Miscellaneous Charges			
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:	Price on application	Price on application	
Certified Copy of title deed of burial	23.50	24.00	2.1%
Transfer of grant of right of burial	95.00	98.00	3.2%
Cemeteries - Non Residents of Guildford Borough Fees			
Guildford, Stoke New and Old Cemeteries - Interments			
For the interment in a grave in respect of which an exclusive right of burial has not been granted:-			
Unpurchased grave for a child	80.00	free of charge	
Unpurchased grave for an adult	510.00	510.00	0.0%
For the interment in a grave in which a grave has already been purchased the body of a person exceeding 18 years			
To a single depth (5ft)	1,750.00	1,800.00	2.9%
To a double depth (7ft)	1,900.00	1,990.00	4.7%
Interment of cremated remains in a grave	775.00	770.00	-0.6%
Interment of cremated remains in the Garden of Remembrance	775.00	770.00	-0.6%
The fee for interment apply only between the hours of 10am and 5pm on a weekday. Should the interment take place outside the stipulated times than an additional fee is payable of:	465.00	485.00	4.3%
For every hour after 5pm	100.00	105.00	5.0%
Exclusive Rights of Burial in Earthen Graves:			
Traditional and Lawn Section			
In an earthen grave 7ft 6 ins x 3ft 6 ins	3,900.00	4,040.00	3.6%
In an earthen grave 6ft x 3ft - Children's section	1,850.00	1,850.00	0.0%
Extension of Exclusive Right of Burial for additional five years	670.00	680.00	1.5%
Garden of Remembrance (Cremated remains)	1,175.00	1,200.00	2.1%
The fees indicated for the various heads of this section include the Deed of Grant and all the expenses thereof for a period of 30 years.			
Miscellaneous Charges			
Exhumation of a coffin or ashes casket: Fees to be assessed by the Registrar:	Price on application	Price on application	
Certified Copy of title deed of burial	23.50	24.00	2.1%
Transfer of grant of right of burial	95.00	98.00	3.2%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Guildford Spectrum - To be approved by Council			
Standard Social Charges			
Concessionary Charges - the rates shown below relate to the following groups:-			
Senior Citizens			
Benefit Recipients			
Unemployed			
Students			
Disabled			
Main Pool			
Adult swim (16 years of age and over) - Peak	4.75 *	4.90 *	3.2%
Adult swim (16 years of age and over) - Off Peak	4.45 *	4.60 *	3.4%
Junior, concessions	3.40 *	3.50 *	2.9%
Showers			
Shower (senior citizen)	2.20 *	2.30 *	4.5%
Special Activities			
Badminton Court per hour - super saver	7.50 *	7.70 *	2.7%
Group Games per hour - super saver	36.50 *	37.50 *	2.7%
Squash/Racquetball, per half hour - super saver	5.40 *	5.60 *	3.7%
Squash/Racquetball, per hour - super saver	8.45 *	8.60 *	1.8%
Table Tennis	5.50 *	5.70 *	3.6%
Off Peak Charges - Concessions			
Competition Pool	3.40 *	3.50 *	2.9%
Leisure Pool	4.75 *	4.90 *	3.2%
Ice Rink	4.50 *	4.70 *	4.4%
Ten Pin (single game) - now includes shoe hire	5.40 *	5.60 *	3.7%
Health Suite: relaxation area	4.40 *	4.60 *	4.5%
Fitness Area	4.80 *	5.10 *	6.3%
Athletics	3.70 *	3.90 *	5.4%

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	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Guildford Lido - To be approved by Council			
Standard			
Adult	6.70 *	6.90 *	3.0%
Junior	5.10 *	5.20 *	2.0%
Concessions	5.10 *	5.20 *	2.0%
Family	21.00 *	22.00 *	4.8%
Off Peak			
Adult	5.40 *	5.70 *	5.6%
Junior	4.00 *	4.10 *	2.5%
Concessions	4.00 *	4.10 *	2.5%
Family	16.50 *	17.50 *	6.1%
Season Tickets			
Adult	150.00 *	150.00 *	0.0%
Junior	110.00 *	115.00 *	4.5%
Student	110.00 *	115.00 *	4.5%
Senior citizen	90.00 *	95.00 *	5.6%
Concessionary Groups - All Times	4.00 *	4.10 *	2.5%
The concessionary rate applies to admission for groups from registered charities, schools and non profit organisations. These only apply if the booking was made in advance.			
Deck Chair Hire	1.80 *	2.00 *	11.1%
Crazy Golf	1.00 *	1.00 *	0.0%
Gym			
Pay as You Train - Peak			
Adult Fitness Session	6.50 *	6.50 *	0.0%
Student/Senior/Concessionary Fitness Session	4.50 *	4.50 *	0.0%
Enhanced Induction Course	29.50	29.50	0.0%
Fast Track/Concessionary Induction	17.50	17.50	0.0%
Pay as You Train - Off Peak			
Adult Fitness Session	5.30 *	5.30 *	0.0%
Student/Senior/Concessionary Fitness Session	3.30 *	3.30 *	0.0%
Enhanced Induction Course	29.50	29.50	0.0%
Fast Track/Concessionary Induction	17.50	17.50	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Membership			
Annual Membership - Concessions	308.00 *	308.00 *	0.0%
Monthly Membership - Concessions	27.70 *	27.70 *	0.0%
Ash Manor Sports Centre - To be approved by Council			
Main Sports Hall			
Badminton per hour - peak	9.70 *	9.80 *	1.0%
Badminton per hour - off-peak	7.70 *	7.80 *	1.3%
Group Games per hour - peak	44.00 *	44.50 *	1.1%
Group Games per hour - off-peak	37.00 *	37.50 *	1.4%
Fitness & Group Exercise Classes (min price)	5.40 *	5.50 *	1.9%
Badminton - Junior	3.50 *	3.50 *	0.0%
Gymnasium			
Group Games per hour - peak	28.00 *	28.50 *	1.8%
Group Games per hour - off-peak	20.50 *	21.00 *	2.4%
Table tennis - per hour - peak and off peak	6.00 *	6.50 *	8.3%
Equipment Hire - Adults only (£10.00 deposit)			
Badminton Racquet/Table Tennis bat	2.50 *	2.50 *	0.0%
Football	4.00 *	4.00 *	0.0%
Outside Court (Playground) - per hour			
With floodlights	20.50 *	21.00 *	2.4%
Without floodlights	12.50 *	13.00 *	4.0%
Artificial Pitch			
1 hour without lights	70.50 *	73.00 *	3.5%
1 hour with lights	92.50 *	95.00 *	2.7%
2 hours without lights	140.00 *	144.00 *	2.9%
2 hours with lights	184.00 *	188.00 *	2.2%
1/4 with lights, per hour	37.50 *	39.00 *	4.0%
1/4 without lights, per hour	29.00 *	30.00 *	3.4%
Health & Fitness			
Annual Membership - Junior	209.00 *	220.00 *	5.3%
Annual Membership - Concessions	248.00 *	251.00 *	1.2%
Monthly Membership - Junior	19.00 *	20.00 *	5.3%
Monthly Membership - Concessions	24.00 *	25.00 *	4.2%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £		2020-21 From 1 April 2020 £		Increase %
Pay as you Train - Peak					
Adult Fitness Session	6.50	*	6.70	*	3.1%
Student/Senior/Concessionary Fitness Session	6.50	*	6.70	*	3.1%
Enhanced Induction Course	29.00		30.00		3.4%
Concessionary Induction	18.00		19.00		5.6%
Pay as you Train - Off Peak					
Off Peak Fitness Sessions - Adult	5.80	*	6.00	*	3.4%
Off Peak Fitness Sessions - Junior & Concessions	4.30	*	4.50	*	4.7%
Enhanced Induction Course	18.00		19.00		5.6%
Induction - Juniors & Concessions					
GP Referral					
Off Peak	4.00	*	4.50	*	12.5%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
To be approved by Council			
Education Sessions, 39.5 Castle Street			
Cost per child [1]			
Victorian schoolroom	6.80	6.80	0.0%
Victorian playroom	6.50	6.50	0.0%
[1] A minimum charge equivalent to 25 child places is payable for all bookings			
Adult education, History of Guildford class			
Charge for two term programme	112.00	112.00	0.0%
Exhibition Space Hire, Heritage Buildings			
Guildford House			
Brew House - one week hire	170.00	170.00	0.0%
Main House - three week hire	370.00	370.00	0.0%
Main House - First Floor: Pine Room, Study, Landing, Powell Room - three week hire	835.00	835.00	0.0%
Main House exhibitions are open to the public for a minimum of three weeks, with the first and last day of the exhibition normally being on a Saturday.			
Private View of Exhibitions			
Main House, Daytime 12.00pm - 2.00pm	200.00	200.00	0.0%
Main House, Evening 7.00pm - 9.00pm	350.00	350.00	0.0%
Brew House, Saturdays 12.00pm - 2.00pm	80.00	80.00	0.0%
Venue Hire, Heritage Buildings			
The Brew House, Guildford House			
These rates include use of VCR, OHP, slide projector, etc.			
Weekdays and Saturdays			
Half Day, 9.00am -12.00pm or 1.00pm - 4.00pm	110.00	110.00	0.0%
Full Day, 9.00am - 4.00pm	210.00	210.00	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Guildford Castle			
Day Hire			
(a) Weekdays			
Half day, 9.00am - 1.00pm or 1.00pm - 5.00pm	220.00	220.00	0.0%
Full day, 9.00am - 5.00pm	395.00	395.00	0.0%
Evenings, 5.00pm - 9.30pm	420.00	420.00	0.0%
Available October - March			
(b) Weekends			
Saturday or Sunday, 9am - 1pm or 1pm - 5pm	240.00	240.00	0.0%
Saturday or Sunday, 9am - 5pm	440.00	440.00	0.0%
Evenings, 5.00pm - 9.30pm	450.00	450.00	0.0%
Available November - March			
Guildford Museum			
Daily rates (Museum Classroom)			
Half Day 9.00am -12.00pm or 1.00pm - 4.00pm	55.00	55.00	0.0%
Full day 9.00am - 4.00pm	100.00	100.00	0.0%
Guildhall			
Guildhall whole building			
(a) Weekdays			
Morning, 9.00am - 1.00pm	330.00	330.00	0.0%
Afternoon, 1.00pm - 5.00pm	330.00	330.00	0.0%
Whole Day, 9.00am - 5.00pm	550.00	550.00	0.0%
Evening, 5.00pm - 9.30 pm	450.00	450.00	0.0%
(b) Weekends			
Saturday 9.00am - 5.00pm	590.00	590.00	0.0%
Saturday 5.00pm - 12.00am	590.00	590.00	0.0%
Sunday 9.00am - 5.00pm	590.00	590.00	0.0%
Sunday 5.00pm - 12.00am	590.00	590.00	0.0%
Guildhall Court Room			
Weekdays			
Morning, 9.00am - 1.00pm	240.00	240.00	0.0%
Afternoon, 1.00pm - 5.00pm	240.00	240.00	0.0%
Whole Day, 9.00am - 5.00pm	450.00	450.00	0.0%
Evening, 5.00pm - 9.30pm	350.00	350.00	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £		2020-21 From 1 April 2020 £		Increase %
Guildhall Council Chamber					
Weekdays					
Morning, 9.00am - 1.00pm	240.00		240.00		0.0%
Afternoon, 1.00pm - 5.00pm	240.00		240.00		0.0%
Whole Day, 9.00am - 5.00pm	450.00		450.00		0.0%
Evening, 5.00pm - 9.30 pm	350.00		350.00		0.0%
All rooms excess charge for evening hire after 9.30 pm (per hour)	75.00		75.00		0.0%
Admission Charges, Guildhall (new)					
Adult admission	2.00	*	2.00	*	0.0%
Child admission	1.00	*	1.00	*	0.0%
Admission Charges, Guildford Castle					
Adult admission	3.50	*	3.50	*	0.0%
Child admission	2.00	*	2.00	*	0.0%
Joint admission ticket Guildhall and Guildford Castle					
Adult admission	N/A	*	N/A	*	
Child admission	N/A	*	N/A	*	
Family ticket Guildford castle					
Family ticket to cover 2 adults and 2 children	10.00	*	10.00	*	0.0%
Image licensing and reproductions					
Reproduction fees for the use of images from Guildford Borough Council's heritage collections. These fees are for the use of the image, not for the costs of producing it. The fees are for the reproduction of one image.					
Academic journals and research publications that are not for profit	10.00		10.00		0.0%
Commercial publications with print runs up to 1,000 copies, one country / language	30.00		30.00		0.0%
Commercial publications with print runs up to 10,000 copies, one country / language	50.00		50.00		0.0%
Commercial publications with print runs over 10,000 copies, one country / language	70.00		70.00		0.0%
Books and magazine covers	100.00		100.00		0.0%
Television, one production, one country and one language	100.00		100.00		0.0%
Digital use for academic use that is not for profit	10.00		10.00		0.0%
Digital use commercial	10.00		10.00		0.0%

All requests are subject to a £10 administration fee. 20% discount will be applied where more than five images are used.

*= includes VAT at 20%

Off-street car parking meter charges from 1st April 2020 **Multi Storey = M** **Surface level = S** **Pay on Foot = P**

CAR PARK TYPE	CAR PARKS	SPACES	DAYTIME- MONDAY TO SATURDAY				EVENINGS		SUNDAY
			1st hour	2nd hour	3rd hour	Each subsequent hour	Per Visit	Per Visit	Per Visit
			Mon-Sat incl Bank Holidays 8am-6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
M	Bedford Road	1033	£1.30	£1.30	£1.30	£1.30	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Millbrook	244	£1.30	£1.30	£1.30	£1.30	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	G Live	220	£1.30	£1.30	£1.30	£1.30	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Mary Road	107	£1.50	£1.50	£1.50	£1.50	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Bright Hill	121	£1.30	£1.30	£1.30	£1.30	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Bedford Road Surface	68	£1.50	£1.50	£1.50	£1.50	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
			Mon-Sat incl Bank Holidays 8am-6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
M / P	Castle Car Park	350	£1.30	£1.30	£1.30	£2.00	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
M	Leapale Road	384	£1.30	£1.30	£1.30	£2.00	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Commercial Rd 2	52	£1.50	£1.50	£1.50	£1.50	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Old Police Station	62	£1.50	£1.50	£1.50	£1.50	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Upper High Street	49	£1.30	£1.30	£1.30	£2.00	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
P	Tunsgate	62	£1.30	£1.30	£1.30	£2.00	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
			Mon-Sat incl Bank Holidays 7am-7pm				Mon-Sat 7pm-7am & Sun 12.01-11am & Sun 5pm-Mon 7am (per hour)		Sun 11am-5pm Per Visit
M / P	Farnham Road	917	£1.00	£1.00	£1.00	£1.00	10p	10p	£1.50 per visit
			Mon-Sat incl Bank Holidays 8am -6pm				Mon-Sat 6pm-10pm (Per Visit)	Sun 5pm-10pm (Per visit)	Sun 11am-5pm Per Visit
M / P	York Road	605	£1.30	£1.30	£1.30	£1.30	£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
			Saturday Parking and Bank Holidays 8am -6pm				Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
S	Millmead House (Front)	27	Mon-Fri - For Visitors to Council only			£1.30	Closed	Closed	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Lawn Road	87	Mon-Fri - Contract Car Park (unavailable to public)				Closed	Closed	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Robin Hood	23					Closed	Closed	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	St Josephs	71					Closed	Closed	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
S	Portsmouth Road	98					£1.00	£1.00	Up to 3 hrs £1.50; 3 to 6 hrs £2.50
			Mon-Fri incl Bank Holidays 8am- 6pm			Saturday 8am -6pm	Mon-Sat 6pm-10pm	Sun 5pm-10pm	Sun 11am-5pm Per Visit
S	Guildford Park	220	£5.00 per visit			£1 per visit	Free	Free	Free
S	Shalford Park	66	£3.20 per visit			Closed	Free	Closed	Closed
S	Walnut Tree Close	17	£3.20 per visit			Free	Free	Free	Free
S	Ash Vale Station	29	£1.00 per visit 7am-4pm			Free	Free	Free	Free
			Mon-Thurs 8am-6pm			Fri-Sat	Mon-Thurs 6pm - 10pm & Sat 8pm-10pm	Sun 5pm-10pm	Sun 11am-5pm
S	North Street	49	£1.00 per 30 mins / max stay 30 mins. No parking after 10pm Thursdays			Closed	£1.00 Per visit	£1.00 Per visit	£1.00 per 30 mins

All of the above charges include VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
To be approved by Council			
Farmers Market			
Stall Charge (per market, per linear metre of frontage)	9.50	9.90	4.2%
Fee Supplement	4.00	4.00	0.0%
Car Parking	9.00 *	9.00 *	0.0%
Standard charges			
Poster Boards			
All poster boards are A4 sheet poster size			
- Rental per space - Rental per week	12.00 *	12.60 *	5.0%
Banner Boards	Note 2019-20 updated		
- Rental per space - Rental per week			
Large 9ft banners	68.40 *	70.20 *	2.6%
A0 & A1- category A (all except Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	60.00 *	61.20 *	2.0%
A0 & A1- category B (Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	48.00 *	49.20 *	2.5%
A2 & A3	24.00 *	24.60 *	2.5%
Concessionary charges			
Poster Boards			
All poster boards are A4 sheet poster size			
- Rental per space - Rental per week	9.60 *	10.20 *	6.3%
Banner Boards			
- Rental per space - Rental per week			
Large 9ft banners	55.20 *	57.00 *	3.3%
A0 & A1- category A (all except Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	45.60 *	46.80 *	2.6%
A0 & A1- category B (Nightingale Rd, Shalford Park (wall mounted), Bedford Rd 1-6)	43.20 *	44.40 *	2.8%
A2 & A3	19.20 *	19.80 *	3.1%
High Street Banner			
Upper High Street - Rental per space - Rental per week	378.00 *	390.00 *	3.2%
Upper High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	138.00 *	142.80 *	3.5%
Lower High Street - Rental per space - Rental per week	378.00 *	390.00 *	3.2%
Lower High Street - Rental per space - Rental subsequent weeks (maximum rental 3 weeks)	138.00 *	142.80 *	3.5%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
North Street Rotunda			
Standard charges for full day			
-Weekday	120.00	125.00	4.2%
- Saturday	190.00	200.00	5.3%
- Sunday	160.00	165.00	3.1%
Concessionary charges for full day			
-Weekday	60.00	60.00	0.0%
- Saturday	100.00	100.00	0.0%
- Sunday	80.00	80.00	0.0%

*= includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
To be approved by Council			
House Purchase Fees			
Right to Buy			
Engrossment Fee	85.00	88.00	3.5%
Leasehold Enquires	128.00	132.00	3.1%
(b) Equity Share			
Lease Surrender	110.00	113.00	2.7%
Road Closure Application Fee	145.00	150.00	3.4%

This is the minimum standard charge which includes the cost of basic laminated signage only. The actual amount payable is subject to any additional signage costs incurred.

Council Minutes Booklet and Committee Agendas - Annual Subscription			
- All available on line free of charge - Hard copies available but will charged at cost to GBC			
Business organisations (per committee)			
Amenity organisations and private individuals			
Parish Councils (first copy free)			
Individual Agendas			
Constitution			
Annual Report and Statement of Accounts - supply to Borough Residents	Free of Charge	Free of Charge	
Annual Report and Statement of Accounts - supply to organisations and individuals outside the Borough	Individually determined		

Section 106 Agreements			
Suitable Access to Natural Green Space (SANGS) Section 106 agreement or Unilateral Undertaking	730.00	750.00	2.7%
Section 106 agreement or Unilateral Undertaking (development up to 25 dwellings)	1,110.00	1,145.00	3.2%
Section 106 agreement or Unilateral Undertaking (development exceeding 25 up to 50 dwellings)	2,210.00	2,275.00	2.9%
Section 106 agreement or Unilateral Undertaking (development exceeding 51 up to 100 dwellings)	Minimum of £2,210 **	Minimum of £2,275 **	2.9%
Section 106 agreement or Unilateral Undertaking (development exceeding 101 up to 199 dwellings)	Minimum of £2,210 **	Minimum of £2,275 **	2.9%
Section 106 agreement (Major applications, small scale, large scale)	Minimum of £2,210 **	Minimum of £2,275 **	2.9%

**this is presented as a general guide, in each instance the Council will provide a pre-estimate of the likely time and costs, and will seek its costs in relation to actual work completed on the basis of an officer fee of £180 per hour.

*= includes VAT at 20%

	2019-20 from 1 April 2019 £	2020-21 from 1 April 2020 £	Increase %
Property Transactions – Legal Charges			
Grant of new lease up to 100 sq. m	Minimum £540**	Minimum £555**	2.8%
Grant of new lease 101 to 300 sq. m	Minimum £740**	Minimum £760**	2.7%
Grant of new lease 301 – 700 sq. m	Minimum £850**	Minimum £875**	2.9%
Grant of new lease over 700 sq. m	Minimum £1,280**	Minimum £1,320**	3.1%
Renewal of lease up to 100 sq. m	Minimum £420**	Minimum £430**	2.4%
Renewal of lease 101 to 300 sq. m	Minimum £540**	Minimum £555**	2.8%
Renewal of lease 301 – 700 sq. m	Minimum £640**	Minimum £660**	3.1%
Renewal of lease over 700 sq. m	Minimum £850**	Minimum £875**	2.9%
Deed of Variation	Minimum £560**	Minimum £575**	2.7%
Rent Deposit Deed	Minimum £210**	Minimum £220**	4.8%
Licence to Assign/Alter	Minimum £540**	Minimum £555**	2.8%
Licence to Underlet	Minimum £640**	Minimum £660**	3.1%
Grant of new Licence for grazing/garden/access	Minimum £480**	Minimum £495**	3.1%
Renewal of Licence for grazing/garden/access	Minimum £270**	Minimum £280**	3.7%
Grant of new Licence for scaffolding/development compound	Minimum £480**	Minimum £495**	3.1%
Renewal of Licence for scaffolding/development compound	Minimum £370**	Minimum £380**	2.7%
Grant of Easement/wayleave	Minimum £540**	Minimum £555**	2.8%
Sale of freehold	Minimum £740**	Minimum £760**	2.7%

** These are the minimum standard charges. Protracted or complex cases can exceed these figures in which case the Council's reasonable legal costs are payable.

Approved by the Government

Electoral Register Sales
Fees are set by Statute and are available on request.

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
To be approved by Council			
Local Taxation			
Court Costs - Council Tax*	100.50	100.50	0.0%
Court Costs - Business Rates*	120.50	120.50	0.0%
Court Costs - BID Levy*		10.50	New item

*these amounts includes £20.00 payable for Liability Order

Letting of Council Accommodation for Meetings (Charges for other uses subject to negotiation)

	2019-20 £	2020-21 £	Increase %
<u>Council Chamber</u>			
Morning	245.00	252.00	2.9%
Afternoon	245.00	252.00	2.9%
Evening to 9.00 pm	315.00	325.00	3.2%
<u>Room 1 (Chantries)- previously Committee Room 1</u>			
Morning	170.00	175.00	2.9%
Afternoon	170.00	175.00	2.9%
Evening to 9.00 pm	245.00	252.00	2.9%
<u>Room 2 (Newlands)- previously Committee Room 2</u>			
Morning	170.00	175.00	2.9%
Afternoon	170.00	175.00	2.9%
Evening to 9.00 pm	250.00	257.00	2.8%
<u>Room 3 (Sheepleas)</u>			
Morning	122.00	125.00	2.5%
Afternoon	122.00	125.00	2.5%
Evening to 9.00 pm	175.00	180.00	2.9%
<u>Room 4 (Chinthurst)</u>			
Morning	85.00	87.50	2.9%
Afternoon	85.00	87.50	2.9%
Evening to 9.00 pm	125.00	128.00	2.4%
<u>Room 5 (Whitmoor)</u>			
Morning	85.00	87.50	2.9%
Afternoon	85.00	87.50	2.9%
Evening to 9.00 pm	125.00	128.00	2.4%
<u>Room 6 (Hurtmore)</u>			
Morning	170.00	175.00	2.9%
Afternoon	170.00	175.00	2.9%
Evening to 9.00 pm	247.00	257.00	4.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019	2020-21 From 1 April 2020	Increase
Room 7 (Loseley)			
Morning	53.00	54.50	2.8%
Afternoon	53.00	54.50	2.8%
Evening to 9.00 pm	74.00	76.50	3.4%
Room 8 (Hatchlands)			
Morning	102.00	105.00	2.9%
Afternoon	102.00	105.00	2.9%
Evening to 9.00 pm	149.00	153.50	3.0%

House Purchase Fees
Consent - Application in Advance
Consent - Retrospective Application

Approved under Delegated Authority

Other meeting rooms
May be made available for smaller groups, please direct enquiries to Office Services for details of applicable rates.

Millmead Staff Restaurant
Catering requirements to be arranged with Office Services. Menus/Tariffs available on request.

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
To be approved by Council			
Statutory Planning Fees can be found by referring to current government legislation. The Planning Portal is the UK online planning and building regulations resource- http://www.planningportal.gov.uk/planning/planningpolicyandlegislation/currentlegislation/statutoryinstruments			
Decision Notices			
Planning Decisions (TP3s) - post 2005 on website	20.00 *	20.50 *	2.5%
Planning Appeal Decisions - post 2005 on website	20.00 *	20.50 *	2.5%
Planning Legal agreements (Section 106 etc.) - if available on website (New)	20.00 *	20.50 *	2.5%
Tree Preservation Orders (if available on website)	20.00 *	20.50 *	2.5%
BC Completion Certificate pre 2001	20.00 *	20.50 *	2.5%
BC Completion Letter pre 1991	20.00 *	20.50 *	2.5%
Section 106 Agreements monitoring fee	750.00	750.00	0.0%
Self-build and Custom Housebuilding Register			
Initial entry on the register	26.00	27.00	3.8%
Initial entry fee for additional members of an Association	10.50	11.00	4.8%
Initial entry onto Part 2 of the register	10.50	11.00	4.8%
Annual fee for remaining on Part 1 and Part 2 the register	10.50	11.00	4.8%
All charges are per document			
If the above information is not available on our website the photocopying charges listed below will apply:-			
Photocopy Charges			
Plan Copying(A2-A0)	13.50	14.00	3.7%
Photocopying Charges (black and white A4)	0.35 *	0.36 *	2.9%
Photocopying Charges (black and white A3)	0.35 *	0.36 *	2.9%
Photocopying Charges (colour A4)	0.60 *	0.62 *	3.3%
Photocopying Charges (colour A3)	0.60 *	0.62 *	3.3%
Supply of information to professional organisations			
General enquiries (one off charge)	72.00 *	74.00 *	2.8%

Tables A,B, C, (domestic) D and E (commercial) for Building Control fees are available on the web site or from the Building Control office

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Pre Application Advice (some pre-application advice fees were revised on 1st October 2019 under delagated authority and those revised fees have been included in 2019-20 figures)			
Householder and new dwellings			
Category: BRONZE			
Householder	80.00 *	80.00 *	0.0%
1-4 dwellings	250.00 *	250.00 *	0.0%
5-9 dwellings	500.00 *	500.00 *	0.0%
10-49 dwellings	750.00 *	750.00 *	0.0%
Category: SILVER			
Householder	180.00 *	180.00 *	0.0%
1-4 dwellings	450.00 *	450.00 *	0.0%
5-9 dwellings	700.00 *	700.00 *	0.0%
10-49 dwellings	1,000.00 *	1,000.00 *	0.0%
50+ dwellings	2,500.00 *	2,500.00 *	0.0%
Category: GOLD			
Householder	Not applicable		
1-4 dwellings	Not applicable		
5-9 dwellings	1,200.00 *	1,200.00 *	0.0%
10-49 dwellings	1,750.00 *	1,750.00 *	0.0%
50+ dwellings	5,000.00 *	5,000.00 *	0.0%
Category: PLATINUM			
Householder	Not applicable	Not applicable	
1-4 dwellings	Not applicable	Not applicable	
5-9 dwellings	Not applicable	Not applicable	
10-49 dwellings	Price on application *	Price on application *	
50+ dwellings	Price on application *	Price on application *	
Extras			
Additional plans			
Householder	84.00 *	84.00 *	0.0%
1-4 dwellings	168.00 *	168.00 *	0.0%
5-9 dwellings	335.00 *	335.00 *	0.0%
10-49 dwellings	565.00 *	565.00 *	0.0%
50+ dwellings	845.00 *	845.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00 *	168.00 *	0.0%

*= includes VAT at 20%

Agenda item number: 11
Appendix 3

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Additional meetings			
Householder	Not applicable	Not applicable	
1-4 dwellings	335.00 *	335.00 *	0.0%
5-9 dwellings	450.00 *	450.00 *	0.0%
10-49 dwellings	675.00 *	675.00 *	0.0%
50+ dwellings	900.00 *	900.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00 *	335.00 *	0.0%
Commercial and other development			
Category: BRONZE			
Commercial up to 250 sq metres	168.00 *	168.00 *	0.0%
Commercial up to 500 sq metres	280.00 *	280.00 *	0.0%
Commercial up to 1000 sq metres	450.00 *	450.00 *	0.0%
Commercial up to 2500 sq metres	565.00 *	565.00 *	0.0%
Commercial over 2500 sq metres	845.00 *	845.00 *	
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	
Category: SILVER			
Commercial up to 250 sq metres	280.00 *	280.00 *	0.0%
Commercial up to 500 sq metres	400.00 *	400.00 *	0.0%
Commercial up to 1000 sq metres	735.00 *	735.00 *	0.0%
Commercial up to 2500 sq metres	845.00 *	845.00 *	0.0%
Over 2500 sq metres	1,150.00 *	1,150.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	400.00 *	400.00 *	0.0%
Category: GOLD			
Commercial up to 250 sq metres			
Commercial up to 500 sq metres	845.00 *	845.00 *	0.0%
Commercial up to 1000 sq metres	965.00 *	965.00 *	0.0%
Commercial up to 2500 sq metres	1,700.00 *	1,700.00 *	0.0%
Over 2500 sq metres	2,250.00 *	2,250.00 *	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	900.00 *	900.00 *	0.0%
Category: PLATINUM			
Commercial up to 250 sq metres	Not applicable	Not applicable	
Commercial up to 500 sq metres	Not applicable	Not applicable	
Commercial up to 1000 sq metres	Not applicable	Not applicable	
Commercial up to 2500 sq metres	Not applicable	Not applicable	
Over 2500 sq metres	Price on application *	Price on application *	
Other (listed building, advertisements, agricultural, telecommunications and trees)	Not applicable	Not applicable	

*= includes VAT at 20%

	2019-20 From 1 April 2019 £		2020-21 From 1 April 2020 £		Increase %
Extras					
Additional plans					
Commercial up to 250 sq metres	84.00	*	84.00	*	0.0%
Commercial up to 500 sq metres	168.00	*	168.00	*	0.0%
Commercial up to 1000 sq metres	335.00	*	335.00	*	0.0%
Commercial up to 2500 sq metres	565.00	*	565.00	*	0.0%
Commercial over 2500 sq metres	845.00	*	845.00	*	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	168.00	*	168.00	*	0.0%
Meeting					
Commercial up to 250 sq metres					
Commercial up to 500 sq metres	335.00	*	335.00	*	0.0%
Commercial up to 1000 sq metres	450.00	*	450.00	*	0.0%
Commercial up to 2500 sq metres	675.00	*	675.00	*	0.0%
Commercial over 2500 sq metres	900.00	*	900.00	*	0.0%
Other (listed building, advertisements, agricultural, telecommunications and trees)	335.00	*	335.00	*	0.0%
Duty Officer service	56.00	*	58.00	*	3.6%

No charge will be made for:
- advice given during the process of a planning application
- advice given to non- profit making organisations/ charities/ hospitals/ *statutory bodies (up to the point where professional agents are appointed)
- advice on proposals relating to disabled living

Parish councils will receive 50% off the fee
* a statutory body is based on the definition set out in the General Development Order

	2019-20 £		2020-21 £		Increase %
Planning performance agreements					
For major applications only (residential or commercial)					
Deposit	500.00	*	500.00	*	0.0%
Subsequent costs	Price on application	*	Price on application	*	
Charges for tree advice- for a site visit and written response					
Pre- application advice on works to trees (TPO and conservation area)					
First hour	85.00	*	88.00	*	3.5%
Per subsequent hours	56.00	*	58.00	*	3.6%
General tree advice					
First hour	85.00	*	88.00	*	3.5%
Per subsequent hours	56.00	*	58.00	*	3.6%
Tree survey on proposed development site					
Per hour	85.00	*	88.00	*	3.5%
High Hedges	585.00		600.00		2.6%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Conservation Area Character Appraisals and Landscape Character Assessments are available to download for free on our website- price on application for printed copies			
Local Plan Documents			
Examination Documents			
Guildford borough Local Plan Strategy and Sites Adopted 25th April 2019	not applicable	£47.50	
Submission Local Plan: strategy and sites - Main Modifications (2018)	43.50	43.50	0.0%
Schedule of Main Modifications to the Plan (2018)	15.00	15.00	0.0%
Schedule of Minor Modifications to the Plan (2018)	15.00	15.00	0.0%
Submission Documents			
Submission Local Plan: strategy and sites (2017)	43.50	43.50	0.0%
Guildford borough Proposed Submission Local Plan: strategy and sites (2016)	43.50	43.50	0.0%
Schedule of proposed minor modifications to Submission Local Plan (2017)	15.00	15.00	0.0%
Track changed version of Submission Local Plan (2017)	43.50	43.50	0.0%
Sustainability Appraisal (SA) and Non-technical Summary (2017)	26.50	26.50	0.0%
Habitat Regulations Assessment (HRA) (2017)	16.50	16.50	0.0%
Equalities Impact Assessment (EIA) Screening (2014)	3.00	3.00	0.0%
Local Development Scheme (LDS) (2017)	3.00	3.00	0.0%
Consultation Statement (2017)	135.00	135.00	0.0%
Community Involvement in Planning (2013)	9.00	9.00	0.0%
Monitoring Report 2016/17 (2017)	9.00	9.00	0.0%
Housing			
West Surrey Strategic Housing Market Assessment (SHMA) (2015)	33.00	33.00	0.0%
West Surrey SHMA - Guildford Summary Report (2015)	9.00	9.00	0.0%
West Surrey SHMA: Guildford Addendum Report 2017 (2017)	15.50	15.50	0.0%
Review of Housing Needs Evidence across West Surrey HMA (2017)	9.00	9.00	0.0%
Traveller Accommodation Assessment (TAA) (2017)	16.50	16.50	0.0%
Land Availability Assessment (LAA) (2017)	74.00	74.00	0.0%
Land Availability Assessment (LAA) (2016)	74.00	74.00	0.0%
Employment			
Employment Land Needs Assessment (ELNA) (2017)	16.50	16.50	0.0%
West Surrey Functional Economic Market Area (FEMA) (2016)	3.00	3.00	0.0%
Retail and Leisure Update Study (2014)	31.00	31.00	0.0%
Guildford Retail and Leisure Study Addendum (2017)	9.00	9.00	0.0%
Protecting and Design			
Historic Environment Information (2016)	45.00	45.00	0.0%
Environmental Sustainability and Climate Change Study (2013)	12.00	12.00	0.0%
Assessment of the Viability of Carbon Emission Targets for New Builds (2017)	26.00	26.00	0.0%
Guildford Renewable Energy Mapping Study (2015)	15.00	15.00	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Green Belt and Countryside Study , Volumes I – VI	345.00	345.00	0.0%
Green Belt and Countryside Study - volume I	29.00	29.00	0.0%
Green Belt and Countryside Study - volume II	67.00	67.00	0.0%
Green Belt and Countryside Study - volume II appendix III	127.50	127.50	0.0%
Green Belt and Countryside Study - volume III	57.50	57.50	0.0%
Green Belt and Countryside Study - volume III appendix VI	50.50	50.50	0.0%
Green Belt and Countryside Study - volume IV	45.50	45.50	0.0%
Green Belt and Countryside Study - volume V	129.00	129.00	0.0%
Green Belt and Countryside Study - volume VI	5.00	5.00	0.0%
Landscape Character Assessment (4 volumes) (2007):			
- Volume 1 - Rural Assessment	26.00	26.00	0.0%
- Volume 2 - Rural-Urban Fringe Assessment	21.00	21.00	0.0%
- Volume 3 - Townscape Assessment	21.00	21.00	0.0%
- Volume 4 - Countryside Character Areas	5.00	5.00	0.0%
Surrey Hills AONB Areas of Search Natural Beauty Evaluation Report (2013)	10.50	10.50	0.0%
Thames Basin Heaths Special Protection Area Avoidance Strategy Supplementary Planning Document (2017)	10.50	10.50	0.0%
Sites of Nature Conservation Importance (SNCI) Surveys 2004-2007	9.00	9.00	0.0%
SNCI Survey Report – Former Wisley airfield (2016)	10.50	10.50	0.0%
SNCI Survey Report – Little Flexford (2016)	9.00	9.00	0.0%
Strategic Flood Risk Assessment (SFRA)			
- Level 1 SFRA: Summary Report (2016)	5.50	5.50	0.0%
- Level 1 SFRA: Volume 1 - Final Decision Support	12.50	12.50	0.0%
- Level 1 SFRA: Volume 2 - Technical Report (2016)	11.00	11.00	0.0%
- Level 1 SFRA: Flood risk Sequential and Exception Test (2017)	9.50	9.50	0.0%
- Level 2 SFRA (2016)	24.00	24.00	0.0%
- Level 2 SFRA: 2017 Addendum (2017)	9.00	9.00	0.0%
Surface Water Management Plan (Six documents)	21.00	21.00	0.0%
Infrastructure and Delivery			
Guildford borough Infrastructure baseline (Guildford Borough Council, July 2013)	25.00	25.00	0.0%
Guildford borough Infrastructure Delivery Plan (IDP) (Guildford Borough Council, December 2017)	15.50	15.50	0.0%
Local Plan and CIL Viability Study (2016)	15.50	15.50	0.0%
Local Plan Viability Update (2017)	9.00	9.00	0.0%
Guildford Education Review (2016)	5.50	5.50	0.0%
Open Space, Sports and Recreation Assessment (2017)	52.00	52.00	0.0%
Guildford Assessment of Sites for Amenity Value (2017)	19.00	19.00	0.0%
Settlement Hierarchy Study (2014)	23.00	23.00	0.0%
Settlement Profiles (2013)	20.00	20.00	0.0%
Water Quality Assessment (2017)	9.00	9.00	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £	2020-21 From 1 April 2020 £	Increase %
Transport			
Guildford Borough Transport Strategy 2017 (December 2017)	10.50	10.50	0.0%
Strategic Highway Assessment for the Guildford borough Proposed Submission: strategy and sites (various years)	18.50	18.50	0.0%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development sce	15.50	15.50	0.0%
Study of performance of A3 trunk road interchanges in Guildford urban area to 2024 under development sce	15.50	15.50	0.0%
Guildford Town and Approaches Movement Study (2015)	62.00	62.00	0.0%
Guildford Town Centre Parking Strategic Review (2013)	15.50	15.50	0.0%
A Sustainable Parking Strategy for Guildford 2016 (Guildford Borough Council, 2016)	10.50	10.50	0.0%
Parking Business Plan 2017 (Guildford Borough Council, 2017)	10.50	10.50	0.0%
Draft Guildford Town Centre Vision (Allies and Morrison Urban Practitioners, June 2014)	15.50	15.50	0.0%
Guildford Town Centre and Hinterland Masterplan Report: Final draft report for consultation (various years)	26.00	26.00	0.0%
Guildford Town Centre Regeneration Strategy 2017 (Guildford Borough Council, January 2017)	15.50	15.50	0.0%
Guildford Local Cycling Plan (Surrey County Council, undated circa 2015) [Accessed 6/12/2017]	15.50	15.50	0.0%
Other Supporting Documents			
Habitat Regulations Assessment (HRA) Screening (2013)	10.00	10.00	0.0%
Sustainability Appraisal (SA) Scoping Report (2013)	10.50	10.50	0.0%
SA site assessment criteria	5.00	5.00	0.0%
Guildford borough Local Plan Strategy and Sites Issues and Options (2013)	31.00	31.00	0.0%
Community Engagement Statement (Issues and Options) (2014)	10.50	10.50	0.0%
Initial Sustainability Appraisal (SA) (2013)	25.50	25.50	0.0%
Statement of Community Engagement (draft Local Plan) (2014)	5.00	5.00	0.0%
Interim Sustainability Appraisal (SA) Report (2014)	15.50	15.50	0.0%
Sustainability Appraisal (SA) of the Guildford borough Local Plan (2016)	25.50	25.50	0.0%
Sustainability Appraisal (SA) non-technical summary (2016)	3.00	3.00	0.0%
Guildford Local Plan HRA update May 2018	15.50	15.50	0.0%
Neighbourhood Plans			
Burpham Neighbourhood Plan	15.50	15.50	0.0%
Effingham Neighbourhood Plan	15.50	15.50	0.0%
East Horsley Neighbourhood Plan	15.50	15.50	0.0%
Topic Papers			
Topic paper: Duty to Cooperate (2017)	69.00	69.00	0.0%
Topic paper: Transport (2017)	22.00	22.00	0.0%
Topic paper: Green Belt and Countryside (2017)	14.50	14.50	0.0%
Topic paper: Housing Delivery (2017)	12.00	12.00	0.0%
Topic paper: Employment (2017)	12.50	12.50	0.0%
Topic paper: Retail and Town Centre (2017)	4.50	4.50	0.0%
Topic paper: Leisure and Tourism (2017)	17.00	17.00	0.0%

*= includes VAT at 20%

	2019-20 From 1 April 2019 £		2020-21 From 1 April 2020 £		Increase %
Topic paper: Housing Type Tenure and Mix (2017)	2.00		2.00		0.0%
Topic paper: Flood Risk (2017)	14.50		14.50		0.0%
Topic paper: Environmental Sustainability and Climate Change (2017)	4.00		4.00		0.0%
Topic paper: Green and Blue Infrastructure (2017)	3.50		3.50		0.0%
Supplementary Planning Guidance					
Residential Extensions and Alterations SPD	20.00		20.00		
Thames Basin Heath Special Protection Area Avoidance Strategy (2017) SPD	not applicable		10.00		
Guildford Town Centre Views SPD (2019)	not applicable		23.00		
Development Briefs and Other Strategies					
Thames Basin Heath Special Protection Area Avoidance Strategy (2017)	10.00		10.00		0.0%
Postage and packing					
Small documents	1.60	*	1.60	*	0.0%
Large documents	4.00	*	4.00	*	0.0%
Draft Local Plan- first class	16.75	*	16.75	*	0.0%
Draft Local Plan- second class	14.75	*	14.75	*	0.0%
The above Local Plan documents are available to download for free on our website					
Land Charges Search Fees -(VAT introduced on 31st March 2017)					
Basic Fee- domestic	172.00	*	187.00	*	8.7%
LLC1 Only- domestic	40.00		40.00		0.0%
Con 29R Only- domestic	132.00	*	147.00	*	11.4%
Basic Fee- commercial	234.00	*	254.00	*	8.5%
LLC1 Only- commercial	60.00		60.00		0.0%
Con 29R Only- commercial	174.00	*	194.00	*	11.5%
Con29 Additional Questions- Surrey County Council	19.20	*	20.00	*	4.2%
Con29 Additional Questions- Guildford Borough Council	12.00	*	12.00	*	0.0%
Assisted Personal Search	32.00		32.00		0.0%
Assisted Con29R Search (Per Question)	7.20	*	7.20	*	0.0%
Additional Parcels of Land	11.00	*	16.80	*	52.7%
Additional Questions	48.00	*	48.00	*	0.0%

*= includes VAT at 20%

RISK ASSESSMENT - 2020-21 GENERAL FUND BUDGET

No	Risk	Assessment of Residual Risk [With control measures implemented] - Residual Risk Score	Responsible	Financial Risk (£000)	Financial Risk (£000)	Financial Risk (£000)	Financial Risk (£000)
				2020-21	2021-22	2022-23	2023-24
1	Unable to achieve additional meter income built into 2020-21 estimates in respect of Off Street Parking Charges.	9	Waste, Parking and Fleet Services Manager	300	300	300	300
2	Unable to recover arrears from investment property and industrial estates tenants.	3	Corporate property manager	16	17	17	17
3	Business Rates liabilities for investment assets exceed estimates	6	Corporate property manager	50	50	50	50
4	Increase in benefit claimants and bad debts	2	Director of Finance	50	50	50	50
5	Potential increase in homelessness	3	Housing Advice Manager	50	50	50	50
6	Serious case reviews on behalf of other authorities. Risk of incurring the costs of investigation regarding a serious case review. It is difficult to predict if and when this may occur	4	Director of Community Services	20	20	20	20
7	Increased risk of judicial reviews and the legal costs associated with defending the council. Risk of JR due to opposition to strategic development sites within local plan.	6	Monitoring Officer	150	150	150	150
8	Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected	4	Director of Finance	200	200	200	200
9	1 % Loss of income from Fees and Charges	3	All budget managers and Director of Finance	339	343	352	352
10	Reduction in the council's baseline need to spend following the fair funding review and introduction of 75% business rates retention in 2021	12	Director of Finance and Audit and Business Improvement Manager	0	400	600	700

RISK ASSESSMENT - 2020-21 GENERAL FUND BUDGET

No	Risk	Assessment of Residual Risk [With control measures implemented] - Residual Risk Score	Responsible	Financial Risk (£000) 2020-21	Financial Risk (£000) 2021-22	Financial Risk (£000) 2022-23	Financial Risk (£000) 2023-24
11	Underachievement of Future Guildford Transformation savings	6	All Directors	613	1,717	2,453	2,453
12	Treasury Management Counter Party Bail in	4	Financial Services Manager	800	800	800	800
13	S106 Clawback and/or collection risk	2	Director of Planning and Regeneration	91	91	91	91
14	Increased cost of planning appeals due to applications arising on unplanned sites in the Submission Local Plan	6	Director of Planning and Regeneration	150	120	120	120
15	Major Emergency / Civil Incident or Severe Weather event	4	Director of Community Services	30	30	30	30
16	Capital programme & Regeneration schemes - unavoidable scheme costs that can't be met by capital contingency fund or cost escalation due to complexity of regeneration schemes (revenue implications due to low capital balances)	6	Director of Finance	405	256	300	300
17	Capital Programme & Regeneration scheme - impact of projects on capital vision coming forward earlier than expected (revenue implications due to low capital balances)	6	Director of Finance	5,040	5,040	5,040	5,040
18	Capital programme & Regeneration schemes - revenue impact of slippage in programme by 12 months (MRP / Interest cost reduction)	3	Director of Finance	(1,863)	(2,014)	(2,117)	(2,117)
19	Collapse of major contractor eg, Leisure Services, Parking Services (Pay by Phone) or Cultural Services	4	All Directors	100	100	100	100

RISK ASSESSMENT - 2020-21 GENERAL FUND BUDGET

No	Risk	Assessment of Residual Risk [With control measures implemented] - Residual Risk Score	Responsible	Financial Risk (£000)	Financial Risk (£000)	Financial Risk (£000)	Financial Risk (£000)
				2020-21	2021-22	2022-23	2023-24
20	SCC provision and funding of Park and Ride, both existing and new sites from 1718 or termination of the agency agreement with SCC for on-street parking enforcement in Waverley.	3	Waste and Fleet Services Manager	840	840	840	840
21	SCC Financial Sustainability; possible impact of local government re-organisation should SCC not be sustainable beyond 2020.	8	Managing Director	0	250	250	250
22	Risk of additional administration costs of new legislation and fines arising as a result of breaches in legislative duties (eg, data protection, information management, corporate manslaughter, air quality management)	8	Managing Director	276	276	276	276
23	Loss of external funding from Enterprise M3 or Homes and Community Agency (HCA) due to project slippage or government reducing funding to EM3 / HCA - revenue impact of capital schemes	3	Director of Planning and Regeneration and Director of Community Services	101	607	607	607
24	Loss of income from external grounds maintenance contracts with SCC highways and Kings College	4	Parks and Landscape Manager	168	168	168	168
25	Housing benefit processing errors leading to DWP claim qualification	6	Benefits Manager	250	250	250	250

RISK ASSESSMENT - 2020-21 GENERAL FUND BUDGET

No	Risk	Assessment of Residual Risk [With control measures implemented] - Residual Risk Score	Responsible	Financial Risk (£000) 2020-21	Financial Risk (£000) 2021-22	Financial Risk (£000) 2022-23	Financial Risk (£000) 2023-24
TOTAL RISKS / RESERVES REQUIRED				**8,176**	**10,111**	**10,997**	**11,097**

Level of Reserves Available				
General Fund (GF) reserve	3,748	3,748	3,748	3,748
GF earmarked reserves available to manage financial risks (and would not necessarily have to be replaced)	11,194	13,172	15,150	15,150
GF earmarked reserves that would need to be replaced if used (eg, sinking funds, SPA endowments, renewals & maintenance funds etc	20,472	20,472	20,472	20,472
TOTAL General Fund Reserves	**35,414**	**37,392**	**39,370**	**39,370**
Potential future guildford costs (cumulative impact)	13,061	13,330	13,330	13,330
Revised General fund revenue reserves	22,353	24,062	26,040	26,040

Council report
Ward(s) affected: All
Report of Strategy Director
Author: John Armstrong, Democratic Services and Elections Manager
Tel: 01483 444102
Email: john.armstrong@guildford.gov.uk
Lead Councillor responsible: Caroline Reeves
Tel: 07803 204433
Email: caroline.reeves@guildford.gov.uk
Date: 5 February 2020

Selection of Deputy Mayor: 2020-21

Executive Summary

At the Council meeting held on 3 December 2019, the Council considered a report on the selection of Mayor and Deputy Mayor for the Municipal Year 2020-21. In accordance with the constitutional changes adopted by the Council in April 2014 as part of the review of the Civic Function in respect of the Mayoralty, the Council agreed to nominate the current Deputy Mayor, Councillor Marsha Moseley for election as Mayor of the Borough for 2020-21.

However, no nominations had been submitted in respect of the appointment of Deputy Mayor for the Municipal Year 2020-21.

In order to assist any councillors in deciding whether to agree to put their names forward for nomination as Deputy Mayor, officers arranged an informal meeting on 16 December 2019 with the current Mayor and past Mayors to enable potential candidates to ask questions and seek advice on various aspects of the Mayoralty.

Group leaders have again been asked to submit nominations for the Deputy Mayoralty for 2020-21 for consideration at this meeting.

Nominations received:
Councillor Dennis Booth

Any other nominations that are received will be reported at the meeting.

Recommendation to Council:

To nominate a councillor for the Deputy Mayoralty of the Borough for the 2020-21 Municipal Year.

Reason for Recommendation:
To make early preparations for the selection of the Deputy Mayor for the 2020-21Municipal Year.

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

1 Purpose of Report

1.1 To ask the Council to consider nominations received for appointment of Deputy Mayor for the Municipal Year 2020-21.

2 Strategic Priorities

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

3. Background

Selection of Mayor: 2020-21

3.1 The constitutional changes adopted by the Council as part of the review of the Civic Function in April 2014 in respect of the Mayoralty provide that the Council normally elects the Deputy Mayor appointed at the annual meeting of the Council as Mayor at the next succeeding annual meeting. The Council, at its meeting on 3 December 2019, agreed formally to nominate the current Deputy Mayor, Councillor Marsha Moseley for the Mayoralty of the Borough for the 2020-21 Municipal Year.

Selection of Deputy Mayor: 2020-21

3.2 At the 3 December Council meeting, no nominations had been submitted in respect of the appointment of Deputy Mayor for the 2020-21 Municipal Year. Consideration of this matter had therefore been deferred to this meeting.

3.3 In order to assist any councillors in deciding whether to agree to put their names forward for nomination as Deputy Mayor, officers arranged an informal meeting on 16 December 2019 with the current Mayor and past Mayors to enable potential candidates to ask questions and seek advice on various aspects of the Mayoralty.

3.4 Group leaders were again asked to submit nominations for the Deputy Mayoralty for 2020-21 for consideration at this meeting. At the time the agenda for this Council meeting was published, the only nomination received was as follows:

Councillor Dennis Booth

3.5 Any further nominations that are received will be reported at the meeting.

4. Financial Implications

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

5. Legal Implications

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

6. Human Resources Implications

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

7. Background Papers

None

8. Appendices

None

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EXECUTIVE

22 October 2019

* Councillor Caroline Reeves (Chairman)
* Councillor Fiona White (Vice-Chairman)

Councillor Joss Bigmore
* Councillor Angela Goodwin
* Councillor David Goodwin
* Councillor Jan Harwood
Councillor Julia McShane
* Councillor John Rigg
* Councillor Pauline Searle
* Councillor James Steel

*Present

Councillors Tim Anderson, Angela Gunning, Ted Mayne, Ramsey Nagaty, George Potter, John Redpath, Maddy Redpath, Tony Rooth, Patrick Sheard, and Catherine Young were also in attendance.

EX42 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Joss Bigmore and Julia McShane.

EX43 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of interest.

EX44 MINUTES

The Executive approved, as a correct record, the minutes of the meeting held on 24 September 2019. The Chairman signed the minutes.

EX45 LEADER'S ANNOUNCEMENTS

There were no announcements from the Leader.

EX46 E-PETITION: NEW PARKING RESTRICTIONS AT KINGSTON MEADOWS CAR PARK, EAST HORSLEY

Councillors noted that, in January 2018, the Executive had approved a proposal to extend parking restrictions to Council-owned parks, including Kingston Meadows Car Park in East Horsley. These measures had been taken to improve access to parking for local clubs and societies, in particular the village hall, and users of the park’s facilities.

On 8 July 2019, an e-petition was launched on the Council’s website requesting the Council to immediately suspend the ‘no return same day’ restriction at Kingston Meadows Car Park. This e-petition received in excess of 500 signatures and under the Council’s adopted Petition Scheme required the Council to debate the matter raised by the e-petition and to indicate to the e-petition organiser what action, if any, the Council proposed to take in response.

The Council considered the matter at its meeting held on 8 October 2019 and, following the debate, the Council resolved that the Executive be requested to consider the following as action to be taken in response to the e-petition:

(1) To ask officers to review the parking order through the statutory Traffic Regulation Order (TRO) process as soon as practicable

(2) To agree that the existing TRO remains in place until it is replaced
(3) To implement a parking control that safeguards the use of the car park for park users
(4) To agree that a revised control considers the following parameters:

(a) removal of the no return element;
(b) one free period of 4 hours each day per visitor within the hours of control (including allowing returns at no charge within the free period) and the ability to charge for additional hours for any time in excess of the free period or for any separate parking event outside of the free period in the same day;
(c) restrictions that apply Monday to Friday (not at weekends and bank holidays); and
(d) enforcement times of 9am to 6pm

with the final TRO to be issued for consultation being agreed by the Director of Environment, in consultation with the Lead Councillor for Countryside, Rural Life, and the Arts and the Lead Councillor for Waste, Licensing, and Parking.

Prior to the Executive's consideration of this matter, the following persons addressed the meeting:

Chris Tailby, Chairman of Trustees of the East Horsley Village Hall, indicated that whilst he welcomed the introduction of the four-hour restriction for parking at the Kingston Meadows Car Park, and would like to see it retained, it was acknowledged that it was the "no return" provision which was causing difficulties locally.

Colin Carmichael, East Horsley Parish Councillor, also emphasised that it was the "no return" provision which was causing significant problems for local residents, who wished to use the car park as a community facility, many of whom made return visits to it during the course of a day. Mr Carmichael requested that the "no return" provision should be suspended pending the review.

In response to the e-petitioners' request to immediately suspend the 'no return same day' restriction, the Executive was advised that the TRO could not lawfully be suspended in this manner and that any change would have to be implemented by making a further TRO in accordance with the statutory procedures and timescales for public consultation.

Having considered the matter, the Executive

RESOLVED:
(1) That officers be asked to review the parking order through the statutory Traffic Regulation Order (TRO) process as soon as practicable
(2) That the existing TRO remains in place until it is replaced
(3) That a parking control be implemented that safeguards the use of the car park for park users
(4) That a revised control considers the following parameters:

(a) removal of the no return element;
(b) one free period of 4 hours each day per visitor within the hours of control (including allowing returns at no charge within the free period) and the ability to charge for additional hours for any time in excess of the free period or for any separate parking event outside of the free period in the same day;
(c) restrictions that apply Monday to Friday (not at weekends and bank holidays); and
(d) enforcement times of 9am to 6pm

with the final TRO to be issued for consultation being agreed by the Director of Environment, in consultation with the Lead Councillor for Countryside, Rural Life, and the Arts and the Lead Councillor for Waste, Licensing, and Parking.

Reason:
To comply with the requirements of the Council's adopted Petition Scheme, by approving action to be taken in response to the e-petition received in respect of this matter.

EX47 E-PETITION: NEW PARKING RESTRICTIONS AT SUTHERLAND MEMORIAL PARK CAR PARK, BURPHAM

Councillors noted that. in January 2018, the Executive had approved a proposal to extend parking restrictions to Council-owned parks, including Sutherland Memorial Park car park in Burpham. These measures had been taken to improve access to parking for local clubs and societies and users of the park's facilities.

On 22 July 2019, an e-petition was launched on the Council's website requesting the Council to remove the new parking charges and restrictions at Sutherland Memorial Park car park. This petition received in excess of 500 signatures and under the Council's adopted Petition Scheme required the Council to debate the matter raised by the e-petition and to indicate to the e-petition organiser what action, if any, the Council proposes to take in response.

The Council considered the matter at its meeting held on 8 October 2019 and, following the debate, the Council resolved that the Executive be requested to consider the following as action to be taken in response to the e-petition:

> "To temporarily cease enforcement of the Traffic Regulation Order (TRO) at Sutherland Memorial Park Car Park and undertake a review as part of the annual parking business plan, such review to include consideration of options based upon the following:
>
> **Maintaining the car park for park visitors:**
>
> (a) Maintain the restrictions in the current TRO with the exception of removing the no return and replacing it with display of a valid ticket.
>
> **Making the car park available for community use:**
>
> (b) Revoke the Order (and return to allowing all day free parking to all), except for the enforcement of anti-social parking, through a new TRO.
>
> (c) Change the time the order applies from 6am to 5pm weekdays to between 10 am and 5pm, maintaining five hours free (providing time for dropping off, dog walking and additional visits later in the day), as well as unlimited visits after 5pm. The no return would be removed and changed to display of a ticket. This would still restrict motorists from parking all day prior to when the ticket machine issues tickets (10am) and charges would apply to park beyond the five-hour free period."

Prior to the Executive's consideration of this matter, the following persons addressed the meeting:

Richard Smee (E-Petition Organiser) indicated that when the restrictions were introduced there was concern locally that they would cause traffic disruption and increase risk to children's safety and were a solution to a problem that residents did not consider existed in Burpham. Mr Smee stated that the restrictions had not only had a detrimental impact on the wider community but also impacted on parks users including the bowling club. He therefore requested that the Council suspends the parking restrictions at Sutherland Memorial Park Car Park.

Three parents of children at Burpham Primary School addressed the meeting and drew attention to the difficulties faced by parents who had cause to use the park during the day but then were unable to lawfully park in the car park in the afternoon to pick up their children from school. They also stated that there was no safe alternative for parents other than to use the park car park when dropping off/picking up children.

Geoff Sheldon (Vice-President of Burpham Bowling Club and Chairman of the Sutherland Memorial Park Amenities Club) addressed the meeting and reiterated that the no return element had caused significant problems for club members and threatened the viability of the club. Parents using the park twice a day was not a problem for the club or other park users.

Lee Elliott addressed the meeting stating that the issue was one of safety. The school had expanded at the request of Surrey County Council and the borough council, whilst raising no objection to this, was not convinced that the measures to deal with parking were suitable at that particular time. The borough council did recognise that the park and stride strategy might overcome that harm. Unfortunately, the Council's decision in respect of the parking restrictions had invalidated this strategy, which was seen as a risk management technique.

During the debate, a number of comments were made by non-Executive councillors including:

- The 'no return' element of the restrictions was not sufficiently highlighted to the public during the statutory consultation, which would explain why no comments regarding the 'no return' element were made.
- The consultation was not about the wisdom of the policy to prioritise the use of the car park to park users, merely about the implementation of the policy by way of introduction of the restrictions
- The overwhelming view of residents, including park users, is that the park is for use by the whole community and does not require the restrictions.
- The Executive should adopt the Council's recommendation to suspend enforcement of the restrictions, whilst further public consultation takes place including consulting on whether people would like see Sutherland Memorial Park Car Park prioritised for park users or viewed as a facility for the whole community.

In response, the Executive was advised that the statutory process for introducing the restrictions had been complied with fully, but officers would be happy to go through a further TRO process to address the 'no return' issue. The Executive noted that this matter had raised issues regarding the efficacy of the existing policy to prioritise the use of parks car parks to tenants and parks users and felt that this policy should be reviewed in respect of Sutherland Memorial Park.

The Executive, having considered the matter and noting the reasons why suspending the enforcement of the current restrictions pending the review of the TRO was not recommended

RESOLVED:

(1) That the current Traffic Regulation Order (TRO) at Sutherland Memorial Park Car Park be reviewed through the statutory TRO making, modification, and revocation process, such review:

(a) to include a consideration of the removal of the "No Return" element; and

(b) to take place concurrently with the review of the TRO at Kingston Meadows Car Park, East Horsley.

(2) That a separate review of the policy around the use of the car park at Sutherland Memorial Park be undertaken and reported back to the Executive.

<u>Reason:</u>
To comply with the requirements of the Council's adopted Petition Scheme, by approving action to be taken in response to the e-petition received in respect of this matter.

EX48 ANNUAL AUDIT LETTER 2018-19

The Executive considered a report on the completed external audit for 2018-19 for which an Annual Audit Letter had been issued. The Executive commended the overall conclusion reached by Grant Thornton that they were satisfied that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Having considered the report and noted that the Corporate Governance and Standards Committee had also considered the Annual Audit Letter at its meeting on 30 July 2019 and had commended it for formal approval, the Executive

RESOLVED: That the Annual Audit Letter for 2018-19 be approved.

Reason:
To approve the Annual Audit Report.

EX49 SURREY HILLS AONB MANAGEMENT PLAN 2020-2025

The Executive considered a report which recommended the adoption of the reviewed Surrey Hills Area of Outstanding Natural Beauty (AONB) Management Plan (2020 – 2025). The Management Plan contributed to setting out the policy framework for development within the Surrey Hills AONB.

The Management Plan had been reviewed as required under legislation and prepared jointly with other local authorities within the Surrey Hills AONB area. The review of the Management Plan had comprised a deliberately 'light-touch' process, with the main changes summarised within the report. Each local authority was required to adopt the Management Plan separately.

Accordingly, the Executive

RESOLVED:

(1) That the Surrey Hills Area of Outstanding Natural Beauty Management Plan (2020 – 2025), as set out in Appendix 1 to the report submitted to the Executive, be approved for adoption and publication by the Council.

(2) That the Director of Planning and Regeneration be authorised, in consultation with the Lead Councillor for Planning, Regeneration, and Housing Delivery to agree such minor alterations as proposed by the AONB Board as she may deem necessary.

Reason:
To meet our statutory obligations under the Countryside and Rights of Way Act 2000.

EX50 REPLACEMENT OF DIAL A RIDE MINI BUSES

The Executive was informed that the Council's Dial a Ride (DAR) mini buses were approaching five years of age and that the Community Care Service, which operated the Dial-a-Ride service had commissioned a review of the replacement options.

The Executive considered a report which examined three possible options as follows:

1. Replace with a new electric fleet
2. Replace "like for like"
3. Delay replacement of the fleet for 2-3 years

The conclusion reached following the review was that electric vehicles provided a beneficial environmental solution at an affordable financial cost. The Executive therefore

RESOLVED:

(1) That Option 1 – the proposed purchase of ten new electric Mini Buses for the Dial-A-Ride service, as described in the report submitted to the Executive – be approved.

(2) That the transfer of £820,000 from the provisional to the approved capital programme, be approved.

Reasons:
To ensure an up to date and reliable fleet for this service and reduce the Council's vehicle emissions.

EX51 RODBORO BUILDINGS – ELECTRIC THEATRE THROUGH ROAD AND PARKING

The Executive was reminded that, at its meeting on 7 February 2018, the Council had approved the inclusion of the sum of £450,000 in the General Fund Capital Programme provisional list for a scheme to improve the area around the Rodboro Buildings and the northern side of the Electric Theatre. The scheme would address pedestrian safety concerns as well as enhancing the area.

The Executive considered a report which sought approval to transfer the sum referred to in the 'Not for Publication' Appendix 2 to the report from the provisional to the approved Capital Programme to enable this scheme to be implemented.

Councillors noted that Appendix 2 contained a schedule setting out the detail of the estimated cost of each element of the scheme, disclosure of which may adversely affect the tendering process so that competition would be undermined. In order to discuss this schedule, the Executive

RESOLVED: That the public be excluded from the meeting due to the likely disclosure of information exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, which is "Information relating to the financial or business affairs of any particular person (including the authority holding that information)".

Having noted that Wetherspoons and Popworld would be making a 50% contribution towards the cost of the provision of the bin store element of the scheme, the Executive

RESOLVED: That the sum referred to in the Not for Publication Appendix 2 to the report submitted to the Executive be transferred from the General Fund Capital Programme provisional list to the approved list, subject to the scheme receiving planning permission.

Reason:
To enable the Rodboro Buildings-Electric Theatre through road and parking scheme outlined in this report to be implemented.

The meeting finished at 8.53 pm

Signed .... Date ....

Chairman

EXECUTIVE

24 November 2019

* Councillor Caroline Reeves (Chairman)
* Councillor Fiona White (Vice-Chairman)

* Councillor Joss Bigmore
* Councillor Angela Goodwin
* Councillor David Goodwin
* Councillor Jan Harwood
* Councillor Julia McShane
* Councillor John Rigg
* Councillor Pauline Searle
Councillor James Steel

*Present

Councillors Angela Gunning, Dennis Booth, John Redpath, Maddie Redpath, Deborah Seabrook, and Patrick Sheard were also in attendance.

EX52 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor James Steel.

EX53 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

Councillors Fiona White and Pauline Searle disclosed a non-pecuniary interest in that they both lived in parished areas (Agenda item 6).

EX54 MINUTES

The minutes of the meeting held on 22 October 2019 were confirmed as a correct record.

EX55 LEADER'S ANNOUNCEMENTS

The Leader of the Council announced that the consultation responses received regarding Chantry Wood campsite would be given full consideration and there would be a further review.

EX56 REVIEW OF COUNCILLORS' ALLOWANCES

The Chairman of the Independent Remuneration Panel (IRP) introduced the IRP's report and set out the Panel's main recommendations. Credit was given to the previous IRP report submitted in 2016, which was described as a comprehensive review with sound recommendations. For this reason, the new report submitted to the Executive built on that previous formula and approach for setting the Basic Allowance.

With regard to the Special Responsibility Allowances (SRAs), the IRP had built upon the 2016 framework with the Leader's Allowance represented as a percentage of the Basic Allowance and subsequent SRA's presented as a percentage of the Leader's Allowance. The changes from 2016 were described as limited. There were two new SRAs proposed in the report in recognition of the new roles of Chairman and Vice Chairman of the Guildford Joint Committee. In adherence to good practice set by Government it was proposed that no more than fifty per cent of councillors should be in receipt of an SRA and that no councillor should be in receipt of more than one SRA at one time.

It was also proposed that the Dependant's Carer's Allowance should be split to recognise specialist care requirements and a recommendation for support for a parental leave policy so that a councillor might continue to receive a basic allowance for up to six months (with adherence to the requirements of the Local Government Act 1972 in respect of attendance at meetings) enabling the allowance scheme to act as an incentive to councillors and prospective councillors and not a barrier.

Having considered the report, and having regard to the IRP's recommendations, the Executive

RECOMMEND: That the Council be requested to consider the following recommendations:

(1) That the Basic Allowance payable to all members of Guildford Borough Council be £7,405 per annum.
(2) That no councillor shall be entitled to receive at any given time more than one Special Responsibility Allowance (SRA), except in circumstances where a councillor in receipt of an SRA is also entitled to receive the Group Leader's SRA, and that this 'One SRA Only Rule' be adopted into the Scheme of Allowances.
(3) That the maximum number of recipients of SRAs at any one time does not exceed 50% of Council Members (24 Members)
(4) That the Leader of the Council continues to receive an SRA of 200% of the basic allowance, £14,810 per annum.
(5) That the Deputy Leader receives an SRA of 50% of the Leader's SRA, £7,405 per annum.
(6) That the Members of the Executive, the Chair of the Planning Committee, the Chair of Overview and Scrutiny Committee and the Mayor receive an SR A of 40% of the Leader's SRA, £5,924 per annum.
(7) That the Shadow Leader's SRA be withdrawn.
(8) That the Chairman of the Licensing Committee, the Deputy Mayor, the Chairman of the Corporate Governance and Standards Committee, the Chairs of the Executive Advisory Boards and the Guildford Joint Committee Chair each receive an S RA of 25% of the Leader's SRA, £3,703 per annum.
(9) That the Vice Chair of the Guildford Joint Committee receive an SR A of 10% of the Leader's SRA, £1,481 per annum.
(10) That the Chairs of the Licensing Sub-Committees continue to be eligible to receive an SRA on a per meeting basis, currently £280 per meeting
(11) That Political Group Leaders continue to receive an SRA of 1% of the Basic Allowance per group member (£74 per councillor per annum).
(12) That the role of Deputy Lead Councillor should not be awarded an S RA.
(13) That co-optees continue to receive an allowance of 2.5% of the Leader's SRA, £370 per annum.
(14) That Travelling and Subsistence Allowance should continue to be payable to councillors and co-opted members in connection with any approved duties.
(15) That the amounts payable in respect of Travelling and Subsistence Allowance should continue to be the amounts which are payable to officers of the Council for travelling and subsistence undertaken in the course of their duties.
(16) That Councillors should also be permitted to claim for reimbursement of any reasonable parking charges incurred whilst on approved duties.
(17) That the Dependants' Carers' Allowance should be based on two rates. Rate one for general care be at a rate of £10.58 per hour, with no monthly maximum claim. Rate two should be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required.
(18) That no change should be made to the current eligibility conditions for receipt of the Dependants' Carers' Allowance, except that the duties for which this allowance is payable should be in accordance with the list of approved Councillor duties. The Council should also actively promote the allowance to prospective and new councillors both before and following an election.
(19) That the level of the Mayor's and the Deputy Mayor's allowances payable under Sections 3 and 5 respectively of the Local Government Act 1972 to meet the expenses

of their offices should remain unchanged at £8,000 and £2,000 per annum respectively.

(20) That the recommended duties for which Dependants' Carers' Allowance and Travelling and Subsistence Allowance should be payable should be amended to include councillor ward and constituency activities including attendance at ward surgeries.

(21) That the Council considers the introduction of a policy to support parental leave for councillors as outlined in the Panel's report.

(22) That the basic allowance, each of the SRAs, the Co-Optees' Allowance and the Dependants' Carers' Allowance be increased annually in line with the percentage increase in staff salaries until 2023, at which time the Scheme shall be reviewed again by an independent remuneration panel.

(23) That the new scheme of allowances to be agreed by the Council in December 2019 be implemented with effect from the beginning of the 2020-21 financial year, at which time the current scheme of allowances will be revoked.

Reason:
In order to comply with the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended).

EX57 PARISH COUNCILS - CONCURRENT FUNCTIONS GRANT AID: APPLICATIONS FOR ASSISTANCE 2020-21

The Lead Councillor for Finance, Assets and Customer Service introduced the report.

The Executive was asked to approve the budget for 2020-21 at this time because the parish councils needed to be aware of the level of grant aid available to them so that they could build the sums into their budget calculations for the coming year.

Parishes had been asked to complete a detailed application form and written estimate for each project and identify how the project met with at least one of the three fundamental themes within the Council's corporate plan. There had been 27 requests received from 14 of the 23 parish councils totalling £91,889. A panel of officers had evaluated the bids. The panel had referred any queries raised back to the parish council concerned and obtained satisfactory responses in all cases. Bids brought forward for approval totalled £91,889 which was £1,889 over the base budget of £90,000. It was recommended that the residual balance of £1,889 be met from the Parish Council Urgent Schemes Reserve.

The Executive

RESOLVED:

(1) That the Concurrent Functions grant aid budget for 2020-21 be approved at £90,000, subject to final confirmation by the Council at its budget meeting in February 2020.

(2) That the parish council requests for grant aid for 2020-21, as set out in Appendix 2 to the report submitted to the Executive, be approved.

(3) That the remaining balance of £1,889 be met from the Parish Council Urgent Schemes Reserve.

Reasons:

(1) To assist parish councils with expenditure on concurrent function schemes in 2020-21.
(2) To enable parish councils to take account of financial assistance from Guildford Borough Council when calculating their precept requirements for 2020-21.

EX58 LOCAL COUNCIL TAX SUPPORT SCHEME 2020-21

The Council had a statutory duty to consider annually whether to revise its Local Council Tax Support (LCTS) scheme (otherwise known as Council Tax Reduction (CTR)), replace it with another or make no changes at all. The Council was obliged to consult with interested parties if it should wish to revise or replace the scheme. The Council must approve a scheme for the 2020-21 financial year by 31 January 2020, to enable annual bills to be calculated correctly.

The Lead Councillor for Housing, Access and Disability introduced the report. It was noted that the existing scheme was working well, but there was an associated piece of work being undertaken to review the impact of the roll-out of Universal Credit. Any changes made by the Council to the scheme could be supplemented by the Discretionary Hardship Fund, but it was stressed that this was not a general fund. The recommended changes made in the report were within the existing revenue budget. Two of the proposed changes were associated with an increase in the cost of living, another concerned the 'Windrush' Compensation Scheme and finally impacts associated with changes to the National Pension Age Scheme. It was noted that Police and Surrey County Council supported the proposed changes. The Lead Councillor for Housing, Access and Disability gave some examples of the implementation of the Scheme and the Hardship Fund.

It was further noted that there would a forthcoming fundamental review of the way in which the consultation process for the Scheme was conducted to ensure that as wide a representation of views as was possible was captured.

Having considered the report, the Executive

RECOMMEND:

(1) That the current LCTS scheme be amended for 2020-21, as set out in detail in Appendix 2 to the report submitted to the Executive, with effect from 1 April 2020.

(2) That the Council maintains a discretionary hardship fund of £40,000 in 2020-21.

<u>Reasons:</u>

(1) To ensure that the Council complies with legislation to implement a LCTS scheme from 1 April 2020.

(2) To maintain a discretionary fund to help applicants suffering from severe financial hardship.

EX59 BUSINESS PLANNING - GENERAL FUND OUTLINE BUDGET 2020-21

The Executive considered an update report on the current position with regard to the preparation of the Outline Budget for 2020-21. The report had covered the following areas:

- Budget assumptions
- Revenue Support Grant and Business Rate Retention Scheme
- Council Tax, tax base and collection fund
- Care Leavers council tax reduction pilot
- New Homes Bonus
- capital expenditure and minimum revenue provision
- use of reserves and interest earnings
- draft outline budget for 2020-21
- Forecasted outturn position for 2019-20

The Joint EAB Budget Task Group and the Joint EAB had considered the outline budget at their meetings held respectively on 8 and 20 November 2019, and a summary of their comments had been circulated to the Executive on the Supplementary Information Sheet.

The report explained that government grant had been included at a level based on the information contained in the 2020-21 Local Government technical consultation document issued on 3 October 2019 but that the amount of grant would not be known for certain until central government released the local government finance settlement which the Ministry of Housing, Communities and Local Government (MHCLG) had provisionally indicated would be in December 2019. Officers had assumed a £5 (3.0%) increase in Council Tax.

The draft Council Tax base was 57,645.76, which was 1.5% higher than 2019-20. This had increased the resources available by approximately £146,100.

The financial monitoring report for the first six months of 2019-20 had been reported to the Corporate Governance and Standards Committee on 19 November 2019. The projected net expenditure on the General Fund for the current financial year was estimated to be £0.57 million more than the original estimate. One of the factors contributing to the forecasted position in 2019-20 was the costs incurred in respect of planning appeals. The report had requested approval of a supplementary estimate to cover these costs and a supplementary estimate to cover the costs of enforcement action at Stoney Castle, Pirbright.

Having considered the report, the Executive

RESOLVED:

(1) That the budget assumptions used in the preparation of the 2020-21 outline budget and three year forward projections, be approved.

(2) That a supplementary estimate of £125,000 to cover the forecasted budget shortfall in respect of planning appeal fees, be approved.

(3) That a supplementary estimate of £120,000 to cover enforcement costs at Stoney Castle in Pirbright, be approved.

(4) That the current position on the outline budget for 2020-21 be noted.

(5) That the proposal to use the Council's various earmarked reserves for specific projects, as set out in section 10 of the report submitted to the Executive, be approved.

(6) That the pilot 100% council tax reduction for Surrey County Council care leavers for 2020-21 only, be approved.

Reason:
To assist the Executive in the preparation of the General Fund estimates for 2020-21.

EX60 PUBLIC REALM IMPROVEMENTS TO CHAPEL LANE, CASTLE STREET AND SWAN LANE, GUILDFORD

Prior to the formal consideration of this matter, the following persons addressed the Executive:

- Bob Bromham (Holy Trinity Amenity Group)
- Matthew Bayliss (South Hill Steering Group)

Both speakers welcomed the review and the proposals but stressed the importance of the safety and priority of pedestrians with Mr Bayliss mentioning in particular the proposals for the area including Sydenham Road, Pewley Hill and South Hill.

Mr Bromham welcomed the pedestrianisation of Chapel Street but felt the levelling of the setts should not be a priority. He was in support of proposed changes to Castle Street but opposed the new road layout at the bottom of South Hill. He asked the Executive to note that pedestrianisation should be a priority following the declaration of a climate emergency.

At its meeting on 8 April 2019, the Executive had agreed to proceed with a public engagement exercise for Guildford town centre public realm improvements from which high-level feasibility design options would be developed. The Executive was asked to consider the outcome of this work and the available options.

The scheme had focused on delivering public realm improvements to the following:

1. Chapel Street
2. Castle Street
3. Swan Lane
4. Pedestrian safety by upgrading existing facilities and introducing new vehicle restrictions to the High Street
5. Signage and Wayfinding to better connect the historic town centre and promote businesses and the cultural offer of Guildford.

The total budget available was £1.3 million which comprised £1.248 million approved capital budget, £49,300 of revenue budget and a £10,000 contribution from Experience Guildford.

The Executive noted that Swan Lane had been included within the scope of the scheme due to the offer of a financial contribution from a group of Swan Lane landlords. AECOM, the Council’s Principal Design consultants, had developed a range of costed options, based on feasibility study, but informed by the consultation with residents, businesses, visitors, councillors and council officers. The two options presented were a core scheme that was within budget and an option that captured the broader scope derived from the consultation feedback which included improvements and bespoke public realm enhancements (architectural lighting and other furniture), along with more complex interventions to address Castle Street traffic issues.

The options proposed were as follows:

Option 1: The core scheme (including Chapel Street, Castle Street) plus Swan Lane. This option excluded architectural lighting, signage and wayfinding enhancements but addresses the core elements of road surface treatments, street lighting, traffic control interventions. This could be delivered for £1.3million which was within budget.

Option 2: An enhanced scheme which would significantly improve the ‘look and feel’ of the public realm through integration of architectural lighting, street furniture, wayfinding, signage and a major transformation of Tunsgate junction with a large raised table that replicated the lost historic ‘square’. This would cost £1.67 million. Additional funding of £367,000 would be required through a virement from the capital contingency fund.

Officers also proposed that the full capital cost of the project be funded from the New Homes Bonus (NHB) reserve, in line with the NHB policy approved by Council in February 2016. Funding the scheme from the NHB reserve would mitigate any ongoing borrowing costs on the Council’s general fund revenue account from this scheme.

Both costed options included pedestrian safety barriers for the High street including new gated access for the western end of the High Street.

This matter had been considered by the Joint Executive Advisory Board at its meeting on 20 November 2019., and their comments and recommendations had been included on the Supplementary Information Sheet circulated at the Executive's meeting.

Having considered the proposals, the Executive

RESOLVED:

(1) That Option 2 be approved and that the project be progressed to detailed design and construction.

(2) That the Director of Environment be authorised to proceed with the detailed designs in respect of the preferred option, and the Director of Finance be authorised to approve a virement from the Capital Contingency Fund up to £367,000 for this purpose.

(3) That the full capital cost of the preferred option be funded from the Council's New Homes Bonus Reserve

(4) That further consideration be given to road layout and design at the junction of South Hill, Sydenham Road and Castle Street to reduce traffic speeds and ease crossing by pedestrians.

Reason:
To support the Council's strategic priority of increasing Guildford town centre's economic success, increasing accessibility and improving links between the High Street and Cultural Quarter.

EX61 MIDLETON INDUSTRIAL ESTATE REDEVELOPMENT

The Executive had approved a business case for the redevelopment of the Midleton Industrial Estate on 24 January 2017, as part of the 2017-18 capital programme. The Executive considered a further report which outlined progress with the delivery of the project, including the current spend and the works completed as well as the remaining scope of works to be delivered during 2019-20 and 2020-21. The Executive was asked to approve the transfer of £5,500,000 from the provisional capital programme to the approved capital programme in order to complete phases two and three of the redevelopment.

The Executive RESOLVED:

(1) That the sum of £5.5 million be transferred from the provisional capital programme to the approved capital programme to enable the continuation and completion of the design and construction of phase two and three of the Midleton Industrial Estate redevelopment, as detailed in the report submitted to the Executive.

(2) That the Corporate Property Manager, in consultation with the Lead Councillor for Finance and Assets, be authorised to progress the design and construction of phase two and three.

Reason:
To progress the next phases of redevelopment of Midleton Industrial Estate to enhance both the capital value and rental income of the Council's property holding.

EX62 CLIMATE CHANGE AND ENERGY MANAGEMENT - SUPPLEMENTARY ESTIMATE

On 23 July 2019, the Council had adopted a motion to declare a Climate Emergency, along with urgent actions, including to reach a target goal of net zero emissions by 2030, working with partners towards a carbon-free borough and establishing a local Climate Change Partnership.

The Executive was asked to consider a supplementary estimate to cover the costs of the staff resource and a contribution to the Salix reserve fund to deliver the Council's corporate climate change objectives and energy management of its property assets. To support this work during 2019-20, funding for the current staff resources was required in addition to the existing budget allocation.

The Executive noted that, if approved, the proposals would be the first step in the Council working towards meeting its ambition.

The Executive

RESOLVED:

(1) That a supplementary estimate of £25,000 (including on-costs) be approved in addition to the existing budget to cover the staff resource.

(2) That a contribution of £217,000 be made from the Council's Invest to Save reserve into the Salix reserve in 2019-20 to be match funded by Salix.

Reason:
To provide the essential staff resources and funding to deliver and support the Council's Corporate Climate Change strategy and targets.

EX63 SELECTION OF THE MAYOR AND DEPUTY MAYOR 2020-21

The Executive considered a report on nominations received for election of Mayor and appointment of Deputy Mayor for the municipal year 2020-21. The constitutional changes adopted by the Council as part of the review of the Civic function in April 2014 in respect of the Mayoralty provided that the Council would normally elect the Deputy Mayor appointed at the annual meeting of the Council as Mayor at the next succeeding annual meeting.

The Executive noted that, although political group leaders had been asked to submit nominations in respect of the Deputy Mayoralty for 2020-21, none had been received.

It was suggested that an informal gathering for councillors interested in becoming Mayor could be held where the experiences and advice of past Mayors could be shared with potential candidates. The Executive therefore

RECOMMEND: That the Deputy Mayor, Councillor Marsha Moseley be nominated for the Mayoralty of the Borough for the municipal year 2020-21.

The Executive further

RESOLVED: That, in the absence of any nominations for the Deputy Mayoralty for the municipal year 2020-21, further consideration be given to the matter at the Council meeting on 5 February 2020.

Reason:
To make early preparations for the selection of the Mayor and Deputy Mayor for the municipal year 2020-21.

EX64 EXCLUSION OF THE PUBLIC

The Executive

RESOLVED:
That under Section 100A (4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act."

EX65 PROPOSED DISPOSAL OF COUNCIL-OWNED PROPERTY IN GUILDFORD

The Executive considered a report on the proposed disposal of a Council owned property in Guildford. The report had set out details of the property, including its location, and its recent letting.

The report had also referred to an Options Appraisal in respect of the potential future uses of the site. The site had also been though a full marketing campaign on an 'any offer' basis and details of the bids received were appended to the report. In order to ensure that the Council was able to meet its best value obligations, the Executive

RESOLVED:

(1) That the Corporate Property Manager be authorised to take such actions as are required to improve the bids received in terms of price and deliverability and to negotiate detailed terms for the disposal of the Council-owned property in Guildford referred to in this report submitted to the Executive in consultation with the Lead Councillor for Finance and Asset Management, the Managing Director, the Director of Community Services and Chief Finance Officer to ensure that the Council meets its best value obligations.

(2) That the ring-fencing of the sale proceeds within the provisional capital programme for future re-investment in a better investment property, be approved.

Reasons:
Disposing of the property would allow the Council to reinvest the capital receipts in better property investments and remove the current difficulties and the potential future risks associated with this property whilst capturing the best consideration available in today's market.

EX66 LEASE OF PROPERTY IN TOWN CENTRE

The Executive considered a report on the proposed lease of a Council owned property in Guildford town centre. Councillors noted the principal terms of the proposed lease, which would not only improve the building (by way of refurbishment) and its immediate environment, but also provide an increased financial return on investment.

The transaction would involve the Council contributing a sum towards the cost of the refurbishment, which would be recovered through an enhanced rental stream. This contribution would be made by way of a virement from the capital contingency fund.

The Executive

RESOLVED: That the principal terms of the proposed lease, as set out in paragraph 3.2 of the report submitted to the Executive, be approved.

The Executive further

RECOMMEND:

(1) That the sum of £2.5 million be vired from the capital contingency fund to enable the lease to be completed.

(2) That the sum of £36,000 be vired from the budget pressures reserve to cover the associated purchaser costs.

Reasons:
To secure a longer-term income stream and assist with the regeneration of this part of the town centre.

The meeting finished at 8.27 pm

Signed .... Date ....

Chairman