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Contact: Andrea Carr
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12 November 2019

Dear Councillor

Your attendance is requested at a meeting of the **JOINT EXECUTIVE ADVISORY BOARD** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey, GU2 4BB on **WEDNESDAY 20 NOVEMBER 2019** at **7.00 pm**.

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE EXECUTIVE ADVISORY BOARD

Councillor Paul Abbey
Councillor Jon Askew
Councillor Christopher Barrass
Councillor Ruth Brothwell
Councillor Graham Eyre
Councillor Andrew Gomm
Councillor Angela Gunning
Councillor Gillian Harwood
Councillor Liz Hogger
Councillor Gordon Jackson
Councillor Diana Jones
Councillor Steven Lee

Councillor Ted Mayne
Councillor Ann McShee
Councillor Masuk Miah
Councillor Ramsey Nagaty
Councillor George Potter
Councillor Jo Randall
Councillor John Redpath
Councillor Maddy Redpath
Councillor Will Salmon
Councillor Deborah Seabrook
Councillor Patrick Sheard

Authorised Substitute Members:

Councillor David Bilbé
Councillor Richard Billington
Councillor Chris Blow
Councillor Dennis Booth
Councillor Colin Cross
Councillor Tom Hunt
Councillor Nigel Manning

Councillor Bob McShee
Councillor Marsha Moseley
Councillor Tony Rooth
Councillor Paul Spooner
Councillor James Walsh
Councillor Catherine Young

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.

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QUORUM: 5

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.

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

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

AGENDA

ITEM NO.

1 ELECTION OF CHAIRMAN

2 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

3 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

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

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

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

4 MINUTES (Pages 1 - 4)

To confirm the minutes of the meeting of the Joint Executive Advisory Board held on 10 January 2019.

**5 BUSINESS PLANNING - GENERAL FUND OUTLINE BUDGET 2020-21
(Pages 5 - 30)**

6 GUILDFORD PUBLIC REALM IMPROVEMENT PROJECT - PROGRESS REPORT (Pages 31 - 68)

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

10 JANUARY 2019

JOINT EXECUTIVE ADVISORY BOARD

10 January 2019

- * Councillor Adrian Chandler (Chairman)
- * Councillor Nils Christiansen (Vice-Chairman)

- | | |
|-------------------------------------|------------------------------|
| * Councillor Alexandra Chesterfield | * Councillor Julia McShane |
| * Councillor Colin Cross | Councillor Bob McShee |
| Councillor David Elms | * Councillor Dennis Paul |
| * Councillor Andrew Gomm | Councillor Tony Phillips |
| Councillor Angela Goodwin | * Councillor Mike Piper |
| Councillor Murray Grubb Jnr | * Councillor David Quelch |
| * Councillor Angela Gunning | * Councillor Caroline Reeves |
| Councillor Christian Holliday | * Councillor Tony Rooth |
| * Councillor Mike Hurdle | * Councillor Matthew Sarti |
| * Councillor Jennifer Jordan | * Councillor Pauline Searle |
| * Councillor Nigel Kearse | * Councillor Jenny Wicks |
| * Councillor Sheila Kirkland | |

* Present

18 ELECTION OF CHAIRMAN

The Joint Executive Advisory Board (EAB)

RESOLVED

that Councillor Adrian Chandler be elected as Chairman for the meeting.

19 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors David Elms, Angela Goodwin, Christian Holliday, Bob McShee and Tony Phillips. In accordance with Council Procedure Rule 23(i), Councillors Caroline Reeves and Colin Cross were present as substitutes for Councillors Angela Goodwin and Bob McShee, respectively.

20 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

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

21 MINUTES

The minutes of the meeting of the Joint EAB held on 21 November 2018 were confirmed as a correct record, and signed by the Chairman.

22 ANNOUNCEMENTS

There were no further announcements.

23 HOUSING REVENUE ACCOUNT 2019-20

The Director of Community Services presented a report outlining the proposed Housing Revenue Account (HRA) budget for 2019-20 which covered all expenditure and income relating to the Council's housing stock. The budget estimates were predicated on the assumptions, ambitions and priorities contained in the HRA Business Plan 2019-2049 which was appended to the report.

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The report set out progress with the new build programme, together with the proposed investment programme in tenants' homes. The Business Plan attached a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement.

Since the previous HRA budget report, there had been three key Government announcements that improved the Council's ability to deliver its ambitions to increase and improve social housing in the Borough, namely, the removal of the HRA borrowing restriction, reverting to an index-linked rent setting policy from 1 April 2020 and not implementing the enforced sale of higher value council houses.

The prevailing social rent policy set out in the Welfare Reform and Work Act 2016 required social housing providers in England to reduce social rents by 1% per annum for the four years from 1 April 2016. Rents for 2019-20 would therefore be reduced by 1%. A 3.4% increase in rents for the Council's 1,700 garages was proposed from April 2019, based on the Consumer Price Index (CPI) plus 1%. A consultation would take place in respect of the level of rent to be charged for new developments which would be decided on a case by case basis. Fees and charges were closely linked to utility charges and a charge for alarms would be introduced as Surrey County Council had withdrawn the related subsidy it had previously provided.

There was a capital investment programme of £5 million to maintain the stock in a good modern condition. Air source heat pumps were being introduced as they were economical to operate. Work to repair subsidence damage resulting from the hot summer weather in 2018 was in the region of £400,000 and £600,000 was being expended on disabled facilities.

The new build programme was ambitious and the Council was free to borrow to fund it following the lifting of the previous Government restriction. £10 million was budgeted for new land and property acquisition and progressing schemes. Including a residential element in the Guildford Park multi-storey car park redevelopment was proposed.

The following points arose from questions and discussion:

- The EAB was pleased to note the lifting of the borrowing cap, the cessation of the rent setting policy and the non-implementation of the enforced sale of higher value council houses priced over £200,000 which affected the majority of the Council's stock.
- Housing officers and the Lead Councillor for Housing and Development Management were congratulated on their successful management of the Council's housing stock.
- Lobbying of the Government to resist the Right to Buy initiative should continue as approximately 25 homes were sold each year at a discount and needed to be replaced.
- New build properties should be let at social rent levels and not at the higher 'affordable rents'.
- The operating surplus figure for 2019-20 in paragraph 7.4 of the report should be £10.469 million.
- To date approximately 50 people had been transferred to the Universal Credit scheme.
- The Council was acquiring analytical software to monitor payment patterns and focus on tenants experiencing difficulties paying their rent. A rent payment telephone application was available.
- The General Fund included provision to house homeless people.
- The Local Plan would inform where the Council and social landlords could provide housing.

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- Residents were reassured that the energy efficient composite cladding panels used on Council homes was safe and used on low rise buildings only.
- It was thought that there was a mixed use of Council garages for storage and housing cars. Opportunities to redevelop under used garages to provide homes were identified.
- Where the cleaning of communal areas by tenants was unsatisfactory, the Council would arrange cleaning and recoup the costs from tenants through a service charge.

The recommendations to the Executive and Council, which were consistent with the objectives outlined in the HRA Business Plan, were endorsed.

24 CAPITAL AND INVESTMENT STRATEGY 2019-20 TO 2023-24

The EAB considered a report detailing the Council's Capital and Investment Strategy, including 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. The related presentation of the Financial Services Manager provided an introduction and covered capital, treasury management and other items. The introduction addressed the new requirement for a capital strategy, non-financial investments and asset management, the Investment Strategy, the Borrowing Strategy, new Minimum Revenue Policy (MRP) requirements with effect from 1 April 2019 and both local and MHCLG Indicators. The Local Plan and the Economic, Housing and Town Centre Regeneration Strategies fed into the Corporate Plan which informed service strategies and service and project delivery plans and led to bids for funding and detailed budgets in accordance with the Capital and Investment Strategy and medium term financial plan.

In terms of capital, the net cost of the new General Fund bids, which were detailed in the report, was £6.4 million. All bids had been considered by the Corporate Management Team (CMT) and the Joint EAB Budget Task Group and new bids would increase the General Fund underlying need to borrow to £339 million. The net cost of bids relating to the Housing Revenue Account (HRA) was £28.3 million. It was anticipated that the Council would run down its investments and externally borrow £6 million in 2019-20. The capital programme was split between essential and investment schemes and setting a limit on essential schemes was suggested. There was an addition to the Strategy in relation to a policy reflecting new flexible use of capital receipts to offset some of the revenue implementation costs of transformation projects, this was included to give the Council flexibility in the funding for the Future Guildford transformation project. The key impact of the capital programme on the revenue account was the borrowing and interest costs. The MRP was estimated to be £0.966 million in 2019-20, £2.127 million in 2020-21 and £3.158 million in 2021-22. The process involved officers submitting bids in September which were reviewed by CMT in October before being reported to the Joint EAB Budget Task Group in November and to this EAB and the Executive in January for agreement by Council in February. Officers then implemented the approved programme whilst business cases were prepared in respect of the provisional programme.

With regard to treasury management, interest paid was estimated to be £5.755 million, £5.1 million of which related to the HRA. Investment income was estimated to be £1.5 million with a 3% weighted average investment rate.

The following points arose from questions and discussion:

- The General Fund Budget report provided indicators of the Council's financial health which was in a strong well managed position with plenty of housing reserves in the

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HRA and earmarked reserves in the General Fund. As capital reserves were more limited it was necessary to borrow to fund the capital programme using investment income from capital assets to repay the loan interest. The Council's gearing ratio of debts compared to assets was reasonable. However, owing to a reduction of 50% in Government funding, equating to approximately £4 million, it was necessary for the Council to identify savings and efficiencies. Although the Government grant received in the past had now ceased, the Council was able to retain some of the Business Rates collected in the Borough. It was anticipated that the Government would move towards funding statutory services only in the future leading to district councils' funding being frozen or reduced further. Ministers had been lobbied in this regard.

- The capital bids in respect of High Street protection and regularising car parking and reduction of encroachments at Shalford Common were not fully supported and the need for them was questioned. In the case of High Street protection, it was felt that too many precautions led to people feeling unsafe. This bid had arisen from a recommendation resulting from reviews by Surrey Police and the Safer Guildford Partnership in response to concerns raised.
- There was no bid in respect of the student housing project as this had been abandoned.
- Many bids were at an early stage and would return to the EAB for further consideration once the details had been developed in time.

25 EXCLUSION OF THE PUBLIC

The Joint EAB

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 involves the likely disclosure of exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

26 GENERAL FUND CAPITAL PROGRAMME BIDS 2019-20

Following the exclusion of the public, the Joint EAB considered and expressed their support for the two confidential bids.

Having considered the Capital and Investment Strategy, the Joint EAB was invited to comment on the recommendations, which were contained in the report, to the Executive at its meeting on 22 January 2019 and to full Council at the budget meeting on 26 February 2019. Councillors indicated their support for the Strategy and commended the recommendations to the Executive and Council to enable the Strategy and the funding required for the new capital investment proposals to be approved.

The meeting finished at 8:40 pm

Signed
Chairman

Date

Executive Report

Wards affected: All

Report of Chief Financial Officer

Author: Claire Morris

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Lead Councillor responsible: Joss Bigmore

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Email: joss.bigmore@guildford.gov.uk

Date: 26 November 2019

Business planning – General Fund outline budget 2020-21

Executive Summary

This report outlines the current position on the 2020-21 outline budget and asks the Executive to note the position.

The Joint EAB Budget Task Group (JEABTG) and Joint Executive Advisory Board (JEAB) will consider the outline budget at their meetings on 8 November and 20 November. The comments of the JEABTG are included at section 10 [following meeting]. The comments of JEAB will be circulated as an addendum to this report, as it meets after this agenda is published.

Section four of this report sets out the assumptions that have been used to prepare the outline budget for 2020-21 and projections for the following three years.

The report explains that we have included government funding at a level based on the information contained in the 2020-21 Local Government technical consultation document issued on 3rd October 2019 but that we will not know the amount of our grant for certain until central government releases the provisional local government finance settlement which the Ministry of Housing, Communities and Local Government (MHCLG) has provisionally indicated will be in December 2019. We have assumed a £5 (3.0%) increase in Council Tax.

The draft Council Tax base is 57,645.76, which is 1.5% higher than 2019-20. This has increased the resources available by approximately £146,100.

Section 7 sets out the proposed council tax reduction pilot scheme for Surrey County Council Care leavers for 2020-21.

Section 10 covers the current position on the 2020-21 outline budget, which currently shows a shortfall between the likely resources and the proposed net expenditure of £820,760.

The major reasons for movements between 2019-20 and 2020-21 are set out in the report and the variances at service level are set out in **Appendix 2**. Revenue growth bids received for 2020-21 are set out in section 10.11 and are included in the outline budget however, some capital bids may also have revenue implications attached to

them. These will be considered as part of the capital and investment strategy report in January 2020, along with a schedule of proposed fees and charges for 2020-21.

Because it is still early in the budget process, the report also sets out the areas of uncertainty that may influence the final position.

The financial monitoring report for the first six months of 2019-20 will be 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 is estimated to be £0.57 million more than the original estimate. One of the factors contributing to the forecasted position in 2019-20 is the costs incurred in respect of planning appeals. This report requests the approval of a supplementary estimate to cover these costs and a supplementary estimate to cover the costs of enforcement action at Stoney Castle, Pirbright.

Recommendation to Executive:

The Executive is recommended to:

1. Approve the budget assumptions used in the preparation of the 2020-21 outline budget and three year forward projections
2. Approve a supplementary estimate of £125,000 to cover the forecasted budget shortfall in respect of planning appeal fees.
3. Approve a supplementary estimate of £120,000 to cover enforcement costs at Stoney Castle in Pirbright.
4. Note the current position on the outline budget for 2020-21
5. Recommend the proposal to use the Council's various earmarked reserves for specific projects as set out in section 9 of the report
6. Approve the pilot 100% council tax reduction for Surrey County Council care leavers for 2020-21 only

Reason(s) for Recommendation:

To assist the Executive in the preparation of the General Fund estimates for 2020-21.

1. Purpose of report

- 1.1 This report outlines the current position on the 2020-21 outline budget and asks the Executive to note the position.
- 1.2 Because it is still early in the budget process, the report also sets out the areas of uncertainty that will influence the final position.
- 1.3 The report also proposes the use of the New Homes Bonus reserve and other earmarked reserves. The working assumption is that we will not form part of a business rates pilot in 2020-21.

2. Strategic Priorities

- 2.1 The budget underpins the Council's strategic framework and delivery of the Corporate Plan.

3. Background

- 3.1 This report will cover 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

4. Outline budget parameters

- 4.1 In order to prepare the outline budget for 2020-21 officers need to know the parameters within which they need to work.
- 4.2 Setting parameters for the whole plan period is beneficial in the calculation of projections over the medium term. The working assumptions used have therefore been used for the whole plan period up to 2023-24.
- 4.3 The Council will make the final decision on the estimates for 2020-21 at its meeting on 5 February 2020; agreement of an allowance at this stage (for example the assumed pay award) does not mean that this cannot be changed later in the process.
- 4.4 Within the period covered by the business planning horizon, there will be significant change to the system of local government finance. By 2021, government will re-assess the baseline need to spend of each local authority through the “fair funding review” and will establish a financing system based on 75% business rates retention. As part of the fair funding review, further powers and responsibilities will be passed to local government and the cost drivers and demand for local government services will be re-assessed. It was originally anticipated that the new funding system would come into effect from April 2020, this has now been delayed for a year by central government due to the governments wish for further engagement and consultation with the sector.
- 4.5 The settlement for 2020-21 is likely to be very similar to that of 2019-20 ahead of the changes proposed for 2021-22 with the government suggesting that the 2020-21 settlement will be a “roll-forward” settlement.
- 4.6 The assumptions used in the 2020-21 outline budget are set out in the table below. These assumptions are based on the approved parameters set during the 2019-20 budget setting process but have been reviewed for accuracy and updated where necessary.

	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	1.9%	1.9%	1.9%	Referendum limits
Business Rates	2.0%	2.0%	2.0%	2.0%	CPI

Inflation					
Revenue Support Grant (RSG)	0	Negative RSG of £0.6m	Negative RSG of £0.6m	Negative RSG of £0.6m	N/A
Council Tax Base Increase	0.73%	0.73%	1.08%	1.28%	Local plan
New Homes Bonus	£1.07m	£1.09m	£1.21m	£1.35m	Local plan & Government Guidance
Vacancy factor	3.0%	3.0%	2.0%	2.0%	Reduced as part of Future Guildford
Average Weighted Investment Returns	2.14%	2.08%	2.54%	2.39%	TM Strategy

5. Revenue Support Grant (RSG) and Business Rates Income under the Business Rates Retention Scheme (BRRS)

- 5.1 The Local Government Technical consultation was published on 3rd October 2019. The projections for RSG and BRRS included in the outline budget for 2020-21 are based on the information included in this consultation. The Ministry of Communities and Local Government (MHCLG) has provisionally indicated that the draft Local Government Finance Settlement (LGFS) will be announced in December 2019, therefore a further update on government funding will be provided to Executive in January 2020 as part of the final budget report.
- 5.2 The previous LGFS for the 4 years 2016-17 to 2019-20 showed that the Council's settlement funding assessment would reduce over the period. The majority of the reduction fell on the RSG which has been nil from 2018-19 onwards. To enable the government to still have a mechanism for controlling/reducing our ability to raise funding locally, it introduced an adjustment to the tariff the Council pays to central government under the business rates retention scheme, which has the impact of, further reducing resources (shown in the table in paragraph 4.6). This tariff adjustment is the equivalent of a 'Negative RSG', i.e., the Council is paying the government from its share of the retained business rates and Council Tax.
- 5.3 The government consulted and removed 'Negative RSG' adjustments in 2019-20 and is again consulting on removing this adjustment for 2020-21.
- 5.4 The baseline funding level for business rates is different to our actual income. Up until the system is reviewed, the Council will keep 50% of any growth in business rate income above the baseline funding level and pay the remaining 50% to central government. This is known as the business rate levy. For 2016-17 and 2017-18, the Council was part of the Surrey – Croydon Business Rates pool which enabled the retention of the business rates levy by the members of the pool. For 2018-19, the council was part of the Surrey Pilot of 100% business

rates retention, which involved a Surrey-only business rates pool and any growth in income above the baseline need to spend for the pilot was retained locally and shared between the pilot members. Possible pooling options are being looked at for 2020-21 but as this stage, it is unlikely that the Council will have the option to take part in any of these.

- 5.5 In December 2017, the Government issued further consultations on business rates reform (now at 75% rather than 100%) and a fair funding review of local government finance, the outcome of which will now be implemented for the financial year 2021-22. There is a substantial risk that the Council's relative need to spend will be reduced by government as part of the fair funding review, as it looks 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 'additional tariff' or 'Negative RSG' payable by the Council under the business rates retention scheme could increase from 2021 onwards. The impact of increasing the tariff adjustment is that Guildford will retain less business rates locally than it does now.

6. Council Tax, tax base and collection fund

- 6.1 The outline 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 £288,300 based on the 2020-21 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 recent technical consultation on the local government finance settlement issued by government proposes that this rule remains the same for 2020-21 and we expect that the government will revert to the 2% council tax referendum limit for 2021-22.
- 6.3 The Director of Finance, in consultation with the Lead Councillor for Finance, Assets and Customer Services, has agreed the council tax base for 2020-21 at 57,645.76. 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. The figures presented assume no deficit [this will be updated in time for Executive in January 2020]
- 6.5 At present, it seems unlikely that there will be a surplus on either the council tax or business rates element of the Collection Fund. This is a consequence of an increase in the number of exemptions and discounts primarily in respect of student occupancy and single person discounts and on the business rates element a significant increase in the appeals provision made as part of the closure of the accounts in previous years. Officers propose that any business rates deficit is financed from the Business Rates Equalisation Reserve.

7. Care Leaver Council Tax Reduction

7.1 On 26 February 2019 the Council resolved:

(1) That the financial, social and emotional needs of care leavers under the age of 25 living in Guildford Borough, and the attendant services and help provided by this Council, be examined by the Overview and Scrutiny Committee at its earliest convenience, and recommendations to the Executive made as appropriate.

(2) That the Council also agrees to look at ways of supporting care leavers further to ensure they fulfil their potential.”

7.2 On 10 September 2019 the Overview and Scrutiny Committee resolved

That, with due regard to budget constraints and future cohort complexities, all the key options identified within the report submitted to the Committee for improving support to care leavers living in the Borough be commended to the Executive.

7.3 One of the items considered at the meeting was provision of a council tax exemption for all care leavers living independently up until the age of 25.

7.4 Guildford Borough Council can only grant a council tax reduction to care leavers under section 13A(1)(c) of The Local Government Finance Act 1992. We must apply it after any other discounts, disregards or exemptions – for example single person discount, local council tax support or student exemptions. The reduction can be from 1 to 100% of the Council Tax liability. The reduction can be for individual cases or for a defined class. Where the reduction is for a defined class, the Council must determine the class.

7.5 Legally Guildford Borough Council is liable for the full cost of any section 13A(1)(c) reduction. The police have advised that they do not have the powers to contribute. The County considered the matter at Cabinet on 16 July 2019 and resolved to pay 75% of the cost for their own care leavers, with a review of the funding in 2021 and every four years thereafter. Where Surrey care leavers live outside of Surrey, they can claim 75% of their council tax from the county.

7.6 The Overview and Scrutiny Committee was advised that

- Trying to identify the likely financial impact of adopting the exemption was difficult, because we had insufficient information on age profiles, whether they were liable for the Council Tax, or eligible for an existing exemption or discount.
- In addition to Surrey County Council care leavers, care leavers from other counties would be living in the borough. Guildford Borough Council would have to pay the whole cost of any section 31A(1)(c) reduction for these individuals.
- Around half of Surrey care leavers live outside Surrey.
- The County expects the number of care leavers to increase.
- The creation of a reduction for care leavers may increase requests for a similar reduction from other groups.

- If a decision was made to grant a reduction then eligibility should be clearly defined and verified, and provision made to withdraw the reduction in exceptional circumstances (for example the care leaver benefits from a significant capital payment or is on a high income).

7.7 Following the meeting Surrey County Council has provided additional information, to help with the financial forecast. They have answered officers follow up questions, but it has become apparent that they do not hold the detailed information required to remove uncertainty in calculating the financial impact.

7.8 Officers have concluded that the issues around forecasting are unlikely to be resolved, as the County simply does not hold the information required. They therefore propose to pilot a 100% reduction for Surrey County Council care leavers for 2020-21 only.

This will provide some facts, enabling a decision on whether to

- continue to offer a reduction in future years
- extend the reduction to all care leavers living in the borough.

It will also allow some further debate around a definition of “exceptional circumstances”, which will end the entitlement to the reduction.

The proposed determination is set out in Appendix 3

7.9 The latest snapshot provided by the County indicates that four care leavers are in independent living and 20 in semi-independent living. However, semi-independent living may mean living alone with support, or sharing a house with other people – and officers do not have any further information on this.

We do know that most shared houses in the Borough are Band D or Band E properties and that the supply of Band B properties (on which the County based their financial estimates is limited). Officers have concluded that basing the budget on a Band D charge (without any additional parish charge) is prudent. The 2019-20 charge is £1,885.89, which was a 3.9% increase on 2018-19. A similar increase for 2020 gives a value of £1,959.44.

Where care leavers live alone they qualify for a 25% discount. If they share with one other they would be due to pay 50% of the bill, if they share with three others 25% of the bill. Officers have assumed a 50% liability (£980) and then applied the other snapshot information as set out in the table below:

Snapshot	No	Charge £	Proposed Budget £
7 not in education, employment or training Assumption: qualify for 100% Local Council Tax Support	7	0	0
1 in higher education Assumption: qualifies for 100% student exemption	1	0	0

9 in education Assumption: these may not qualify for a student exemption as not all courses qualify. Assume 5 do.	4	980	3920
7 unknown Assumption: potentially working so may or may not be eligible for Local Council Tax Support. Assume 0 do.	7	980	6860
TOTAL			10,780
Less 75% County Reimbursement			8,085
Amount falling on GBC Budget			2,695

8. New Homes Bonus (NHB)

- 8.1 The NHB was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. In December 2016 the Government announced reforms to the NHB as follows;
- Reduction in the number of years payments are made (legacy payments) from 6 to 5 in 2017-18 and to 4 years from 2018-19
 - Introduction of a national baseline for housing growth of 0.4% of council tax base from 2017-18, below which new homes bonus is not paid
- 8.2 As part of the “roll-forward settlement” for 2020-21 the government intends to continue to fund legacy payments associated with previous allocations and make a new round of allocations for 2020-21.
- 8.3 It is currently not known if the housing growth baseline of 0.4% will continue for the 2020-21 or be increased to ensure the government remains within spending limits. This will be announced as part of the provisional settlement in December.
- 8.4 In the technical consultation published on 3rd October 2019 the government sets out its intention to review the NHB for future years and as a result any new allocations given in 2020-21 will not result in legacy payments for the next four years. Further consultation will happen on any proposals prior to implementation. The 2020-21 outline budget reflects the reduction in legacy payments.

9. Capital expenditure and minimum revenue provision

- 9.1 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 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.
- 9.2 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 £795,000, 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 £1.57 million. This figure is included in the outline budget.

- 9.3 Officers are currently preparing an updated capital programme for Councillors to consider early in 2020. The level of capital programme that Councillors wish to support will determine the level of capital receipts used, interest earnings and MRP for 2020-21.

10. Use of Reserves and interest earnings

- 10.1 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 financial years are shown below:

Reserve	Actual 2018-19 Balance £ million	Projected 2019-20 Balance £ million
General Fund Reserves	3.7	3.7
Housing Revenue Account (HRA) Reserve	2.5	2.5
Earmarked GF Reserves	45.1	37.4
Earmarked HRA Reserves (incl MRR)	93.2	98.9
Useable Capital Receipts Reserve (General)	0	0
Useable Capital Receipts Reserve (housing related)	20.5	14.1
Total Useable Reserves	164.9	156.6

- 10.2 HRA reserves are considered as part of the HRA budget. The general fund earmarked revenue reserves include £14.5 million 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 (SPA) or Suitable Alternative Natural Greenspaces (SANGs), these reserves are required to fund the revenue costs of SPA / SANGS in perpetuity. Earmarked reserves for SPA and SANGS are projected to be £7.8 million at 31st March 2020. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore £15.1million.
- 10.3 In the 2019-20 budget, we anticipated a net interest receipt 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%. The rate for borrowing from the Public Works Loans Board increase by 1% on 9th October 2019, this will therefore increase the costs of borrowing going forward. We will continue to keep under review the timing of possible additional base rate changes as the estimates process proceeds.

Proposed Use of Key Earmarked Reserves

The Budget Pressures Reserve

- 10.4 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.

10.5 New Homes Bonus Reserve

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 this to support one-off growth bids that contribute to the delivery of new homes. 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.

Invest to Save Reserve

- 10.6 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.
- 10.7 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.
- 10.8 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

- 10.9 The balance on the car parks maintenance reserve at 31st 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 [detail of works to follow]

IT Renewals

- 10.10 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

- 10.11 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.

11. 2020-21 outline budget – current position

- 11.1 Although it is still very early in the estimates process (the Council does not set its 2020-21 budget and Council Tax until 5 February 2020), the current outline budget shows a shortfall between the likely resources and the proposed net expenditure of £820,760. This shortfall could be funded by using reserves or identifying further savings to be made in 2020-21.
- 11.2 In order to arrive at the final budget, service managers prepare an outline budget based on existing levels of service, which is then amended for existing commitments and agreed changes relating to growth and savings.
- 11.3 The base outline budget position, excluding the revenue implication of capital bids to be considered as part of the capital and investment strategy report in January is projecting net expenditure levels to be higher than the estimated resources, assuming a £5 council tax increase. Service managers and the finance team continue to work on these figures and update them as appropriate.
- 11.4 The figure above includes the effect of the increase in council tax base, which has increased available resources by approximately £146,100
- 11.5 At present, the figures assume no deficit on the collection fund as referenced in paragraph 6.5.
- 11.6 We have included income from the Business Rates Retention Scheme (BRRS) and Revenue Support Grant (RSG) at the level indicated by the Local Government technical consultation document. Any changes to this will be updated after the provisional settlement is published in December 2019.
- 11.7 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

11.8 The Future Guildford transformation project identified a number of potential service challenge savings. Some of these savings have been incorporated in the draft outline budget (see table in paragraph 11.7) 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.

Major changes from 2019-20

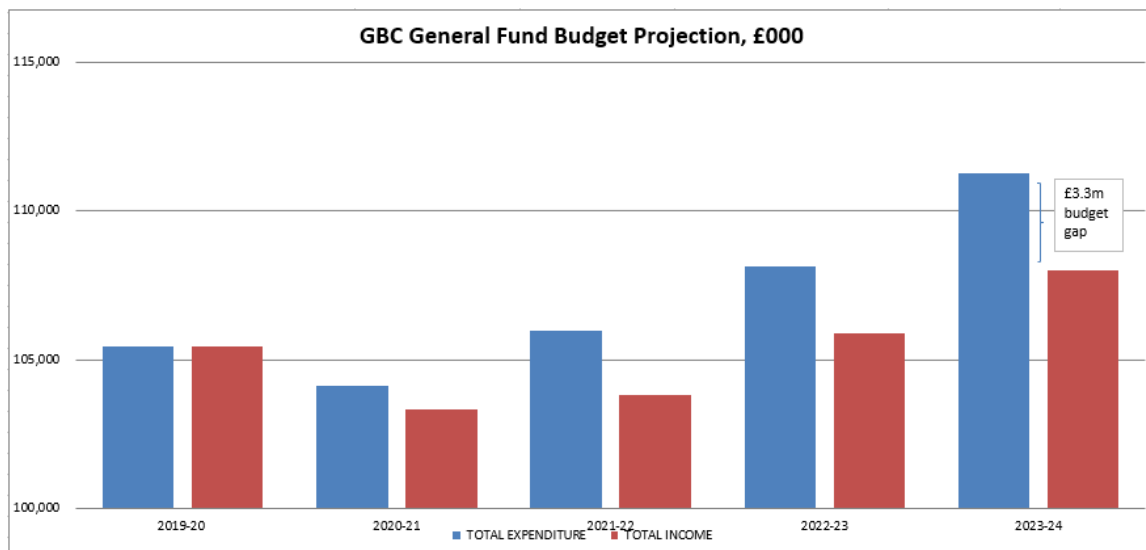
11.9 The estimated directorate level expenditure excluding depreciation charges for 2020-21 is £11.66 million, which is £1.32 million less than the 2019-20 directorate level expenditure estimate of £12.98 million. The major variances are set out in **Appendix 2**.

Major changes from 2020-21 projection included in the 2019-20 estimates

11.10 When the 2019-20 estimates were approved, we projected an increasing budgetary pressure in 2020-21 and beyond. The 2020-21 outline budget shows an improvement 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:

- Reduction in the anticipated directorate budgets - £0.23 million [this includes a working assumption around the savings from the Future Guildford transformation project and growth bids of £1.0million]]
- Increase in net interest receivable - £0.4 million
- Increase in the MRP charge - £0.6 million
- Reduction in the proposed use of reserves - £3.0 million

11.11 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. Officers continue to work towards identifying the necessary savings over the medium term.



Growth bids

- 11.12 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;
- Azure Server and Cloud Environment maintenance - £54,000 - Utilisation of ICT Infrastructure in Microsoft Azure (Microsoft cloud hosted infrastructure) supports user accounts which are moving to Microsoft Office 365.
 - 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.
 - Some capital bids may have revenue implications attached to them. These will be considered as part of the capital and investment strategy report in January 2020.
- 11.13 Any comments made about the bids by the Joint EAB Budget Task Group (JEABTG) are included in section 12 below and the comments of the EAB will be circulated as an addendum to this report, as it meets after this agenda is published.
- 11.14 It is possible that service managers will submit additional bids before the budget process is finished in February 2020. Officers will update the Executive at its meeting in January 2020.
- 11.15 There is currently a gap of £820,760 between estimated expenditure and income in the outline budget for 2020-21. Officers suggest the following potential actions to remove the budget gap: -
- a. inclusion of revised interest and MRP estimates following production of the draft capital programme and treasury management strategy
 - b. reduce payroll inflation assumption
 - c. inclusion of a further transformation savings targets to be met by future service reviews

- d further one-off use of reserves – this is not a sustainable action for on-going cost pressures

Fees and Charges

- 11.16 The fees and charges proposed by service managers for 2020-21 will be considered by Executive in January 2020. The target increase agreed by the Executive was 3% but Councillors will see that there is a wide variance in the percentage increases proposed. This is because service managers have discretion to consider the market within which their services operate when proposing fee increases. The estimated income included within the outline budget is based on these proposed charges.

Forecasted position for 2019-20

- 11.17 The financial monitoring report for the first six months of 2019-20 will be 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 is estimated to be £0.57 million more than the original estimate. One of the factors contributing to the forecasted position in 2019-20 is the costs incurred in respect of planning appeals. This report requests the approval of a supplementary estimate to cover these costs.
- 11.18 At the end of September, it is forecasted that over £318,000 of planning appeal costs will be incurred. Officers seek to recover costs wherever possible and has been successful in recovering some of these costs, it is however forecasted that the budget will be exceeded by £125,000 in the current financial year.
- 11.19 Officers propose that a supplementary estimate to cover the forecasted costs of planning appeals is approved for £125,000 to be funded from the budget pressures reserve.
- 11.20 In December 2018 an Abatement Notice was served under the Environmental Protection Act 1990 in respect of the caravans being used for human habitation at Stoney Castle, Grange Road, Pirbright, because their condition was considered prejudicial to health. The Abatement Notice explained that there was no satisfactory provision for personal washing facilities, sewage disposal and a portable water supply to the premises to caravans and campervans making them unfit for human habitation.
- 11.21 The notice required the removal of the caravans from the site within 120 days which expired on the 16 April 2019. Securing compliance with the notice relating to fitness for human habitation of the caravans is an outstanding matter as, to date, the residents are still living on the site. To comply with the notice the caravans have to cease to be used for human habitation and removed from site. No works can be completed to make them suitable as there is no consent for stationing caravans or campervans on the site.
- 11.22 CMT considered a number of options and possible next steps for securing compliance with the caravan habitation notices. Following discussion CMT agreed to support the enforcement notice by conducting works in default to remove the caravans used for human habitation, pursuant to S81 Environmental Protection Act 1990. Estimates to conduct the works are £120,000.
- 11.23 In considering whether to take action to secure compliance with the requirements of the notice requiring the removal of the caravans, the Council must balance the

public interest in securing the removal of caravans, which is now in breach of criminal law, against any personal circumstances of the occupiers of the site, should that be relevant, and any hardship which could be caused and their accommodation needs.

- 11.24 Prior to any works being conducted a full impact assessment of personal circumstances and human rights of site residents would need to be completed and approved by Director of Community Services before works in default to remove caravans from the site would be completed.
- 11.25 Officers propose that a supplementary estimate to cover the forecasted costs of the enforcement action is approved for £120,000 to be funded from the budget pressures reserve.

12. Comments of Joint EAB Budget Task Group

- 12.1 The Joint EAB Budget Task Group (JEABTG) and Joint Executive Advisory Board (JEAB) will consider the outline budget at their meetings on 8 November and 20 November.
- 12.2 The Budget Task Group has been set up as a working Group of The Joint Executive Advisory Board (JEAB) to go through the details of the budget working papers and growth bids as it is not possible to go into this level of detail in a Committee meeting.
- 12.3 The meeting held on the 8TH November focused on the revenue budget and considered;
 - The Draft budget Report
 - Appendix 2 – detailed service variations in budget
 - Growth bids
- 12.4 Members of the task group went through the report in detail asking questions on how the assumptions were arrived at, what the risks were in the medium term with the proposed changes to the funding regime, how confident officers were of achieving the savings set out in the report and how reserves are being used and managed.
- 12.5 Options to balance the budget were discussed and Members of the task Group suggested that the corporate inflation budget could be reduced with the rest coming from the Business rate retention reserve.
- 12.6 The current forecasted overspend was questioned and officers reported that they are confident that they can bring spend back into line before the end of the financial year. The issues are largely to do with income generation which suggests the local economy is under pressure.
- 12.7 The task group went through the detailed service variations in Appendix 2, asking questions to clarify why there were variations.
- 12.8 The JEABTG were supportive of the proposed growth bids but requested clarification on aspects of some bids. A number of queries were answered at the meeting, but others will be referred to service managers for clarification. The questions raised at the meeting, along with the clarifications will be tabulated and presented to next meeting of the JEABTG and JEAB, which will consider the capital programme and bids.
- 12.9 The JEABTG when considering the growth bid for the Azure Server & Cloud Environment Maintenance felt that this was essential expenditure and was

unavoidable so it should not go as a growth bid but as an essential adjustment to the budget.

- 12.10 The JEAB meet on 20 November, after this agenda is published. Its comments will be circulated as an addendum to this report.

13. Consultations

- 13.1 JEABTG and JEAB has been consulted about the outline budget for 2020-21 and proposed growth bids. Its comments are included in section 12.

14. Equality and diversity implications

- 14.1 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.

15. Financial implications

- 15.1 The financial implications are considered throughout the report.

16. Legal implications

- 16.1 The Council is required by legislation to set a balanced budget

17. Human Resources implications

- 17.1 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.

18. Summary of options

- 18.1 The committee is able to offer comments in support of, or against, any of the proposals contained in the report.

19. Conclusion

- 19.1 At this early stage in the budget process, there is a gap between the projected net expenditure for 2020-21 and our estimated resources of £820,760. There remain a number of external factors that may result in a budget gap developing further as we move through the process. It remains possible that there will be revisions to the local government finance settlement but we will not know this until December, along with the impact, if any of the business rates revaluation on our income. However, officers are confident that we can deliver a balanced budget for the financial year 2020-21.
- 19.2 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.

20. Background Papers

- 20.1 None

21. Appendices

Appendix 1 - General Fund summary

Appendix 2 - Variances between 2019-20 estimate and 2020-21 outline budget at service level

Appendix 3 - The proposed determination for the council tax reduction pilot scheme.

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Actual 2018-19 £	GENERAL FUND SUMMARY	Estimate 2019-2020 £	(Month 6)	
			Probable 2019-2020 £	Estimate 2020-21 £
	Directorates - Net Expenditure			
(13,789,814)	Community Services	(795,580)	(1,000,669)	488,470
0	Corporate Services	0	0	0
0	Development	0	0	0
10,425,633	Planning and Regeneration	3,247,260	4,854,173	3,143,410
13,241,234	Environment	11,125,160	10,761,537	10,569,320
891,032	Managing Director	801,740	1,711,654	788,080
0	Resources	0	0	0
8,615,538	Finance	6,611,420	6,854,398	7,822,280
	Future Growth / Savings bids to be allocated to services	0	0	0
19,383,623	Total Directorate Level	20,990,000	23,181,093	22,811,560
	Provisional Growth bids not yet included in Directorate budgets	0	0	1,018,000
	Provisional savings not yet removed from Directorate budgets	0	0	(2,471,425)
(2,842,034)	Depreciation (contra to directorate budgets)	(8,011,160)	(8,011,160)	(8,611,160)
16,541,589	Directorate level excluding depreciation	12,978,840	15,169,933	12,746,975
(1,815,098)	External interest (receivable)/payable (net)	(877,355)	(540,490)	(1,172,935)
456,206	Interest payable to Housing Revenue Account	598,260	540,145	531,550
795,190	Minimum Revenue Provision	966,280	795,000	1,574,698
(27,056)	Revenue income from sale of assets	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)			
1,641,467	Met from: Capital Schemes reserve	0	0	0
2,479,854	Other reserves	2,992,000	2,992,000	537,000
95,750	General Fund	0	0	0
20,167,902	Total before transfers to and from reserves	16,658,025	18,956,588	14,217,288
	Transfers to and from reserves			
	Capital Schemes reserve			
(1,641,467)	Funding of Revenue Contribution to Capital Outlay	0	0	0
	Contribution in year	0	0	0
(129,227)	Budget Pressures Reserve	(200,000)	0	0
2,490,052	Business Rates Equalisation reserve	(2,345,206)	(2,570,175)	1,214,458
87,376	Car Park Maintenance reserve	(1,003,790)	(1,467,570)	272,950
62,500	Election Costs reserve	62,500	(124,075)	62,500
11,278	Insurance reserve	(530)	6,879	0
(896,802)	IT Renewals reserve	(534,290)	(534,290)	542,710
3,240	Invest to Save reserve	814,079	(94,396)	(10,000)
(68,644)	Energy Management reserve	0	0	0
(351,438)	New Homes Bonus reserve	8,646	38,646	566,849
(169,709)	On Street Parking reserve	(239,780)	(282,958)	(171,780)
(4,522,771)	Pensions Reserve (Statutory)	0	0	0
(300,000)	Recycling Reserve	0	(150,000)	0
13,340	Spectrum reserve	185,140	185,140	188,843
398,488	Carry Forward Items	0	(1,527,309)	0
1,148,316	Other reserves	17,510	1,554,462	(477,090)
16,302,434	Total after transfers to and from reserves	13,422,304	13,990,942	16,406,727
	Business Rates Retention Scheme payments			
22,269,018	Business Rates tariff payment	31,332,993	31,332,993	32,992,173
(475,774)	Business Rates tariff payment from MHCLG	0	0	0
0	Business Rates - levy payment to MHCLG	1,274,000	1,274,000	1,214,458
0	Business Rates - Levy Payment to Surrey - Croydon pool	0	0	0
(973,269)	Business Rates - Pilot gain from Surrey Pilot Pool	0	0	0
	Non specific government grants			
(1,184,857)	s31 grant re BRR scheme	(1,825,148)	(1,825,148)	(2,879,861)
(21,976)	s31 grant re Council Tax			0
0	Reduction to SFA following fair funding review			0
0	Transition grant / additional BRRS tariff			0
(23,862)	Other government grant	(44,208)	(44,208)	0
(1,200,586)	New Homes Bonus grant	(1,039,201)	(1,039,201)	(1,066,849)
34,691,128	GUILDFORD BOROUGH COUNCIL NET BUDGET	43,120,740	43,689,378	46,666,649
1,631,985	Parish Council Precepts	1,740,697	1,740,697	1,741,000
36,323,113	TOTAL NET BUDGET	44,861,437	45,430,075	48,407,649
(26,159,016)	Business Rates - retained income	(34,941,330)	(34,941,330)	(35,652,966)
0	Revenue support grant	0	0	0
52,958	Collection Fund (surplus)/deficit - Business Rates	1,493,170	1,493,170	0
38,032	Collection Fund (surplus)/deficit - Council Tax	85,997	85,997	0
10,255,087	COUNCIL TAX REQUIREMENT	11,499,274	12,067,912	12,754,683
	Projected (under)/over spend @ m6		568,638	
			(11,499,274)	
8,623,102	Council tax requirement excluding Parish Precepts	9,758,578		11,013,683
	Tax base	56,795.35		57,645.76
	Band D Tax (Borough Only)	171.82		191.06
	% Increase			11.20%
	Band D Tax (incl Parishes)			221.26
	Target 1.9% per annum			
	Council tax @ target increase			176.82
	Borough Council demand for target tax rise (£5)			10,192,923
	Current demand			11,013,683
	Cumulative Budget Gap			820,760
	In year budget gap			820,760

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Directorate	Service	2019-20	2020-21	VARIANCE £	VARIANCE %	Reason for variance
		ORIGINAL BUDGET £	DRAFT ESTIMATE £			
Community Services Directorate	Building Maintenance	-5,050	0	5,050	-100.00%	
Community Services Directorate	Gypsy And Traveller Sites	-101,970	-103,010	-1,040	1.02%	
Community Services Directorate	Citizens Advice Bureau	284,710	284,710	0	0.00%	
Community Services Directorate	Civil Emergencies	63,640	61,470	-2,170	-3.41%	
Community Services Directorate	Corporate Property Services	1,704,860	1,655,280	-49,580	-2.91%	Inflationary Increase in salary costs offset by reduction in planned maintenance. £13k salary increases, £20k general maintenance provisions omitted from 19-20 budget, £20k Contn to invest to Save re replacement boilers
Community Services Directorate	Day Services	630,510	708,890	78,380	12.43%	Park Barn, £23k reduction in grant income.
Community Services Directorate	Emergency Communications System	-69,610	-67,520	2,090	-3.00%	
Community Services Directorate	EMI Services	229,300	227,510	-1,790	-0.78%	
Community Services Directorate	Environmental Control	449,090	455,160	6,070	1.35%	
Community Services Directorate	Surrey Family Support Programme	90,470	106,470	16,000	17.69%	
Community Services Directorate	Food and Safety Services	370,740	376,510	5,770	1.56%	
Community Services Directorate	Health and Safety	9,230	12,140	2,910	31.53%	
Community Services Directorate	Housing Surveying Services	13,270	0	-13,270	-100.00%	
Community Services Directorate	Grants to Voluntary Organisations - Housing and Community	504,860	483,550	-21,310	-4.22%	Wey Valley Bowls Club no longer supported by grant.
Community Services Directorate	Home Farm Estate, Effingham	17,920	14,960	-2,960	-16.52%	
Community Services Directorate	Homelessness and Emergency Accommodation	874,350	864,180	-10,170	-1.16%	
Community Services Directorate	Housing Advice	302,580	352,640	50,060	16.54%	Increase charge from HRA 50% of gross cost of Housing advice understated in budget 2019-20.
Community Services Directorate	Affordable Housing Development	116,500	114,220	-2,280	-1.96%	
Community Services Directorate	Industrial Estates	-2,898,960	-2,587,650	311,310	-10.74%	Increased expenditure due to void at 10 Midleton, rates and service costs £114k and business rates for Thornberry to mid Aug 20 £82k. Rent and service charge income reduction due to void properties £108k.
Community Services Directorate	Investment Property	-4,866,690	-3,812,480	1,054,210	-21.66%	Provision made for Liongate business rates £453k and loss of lease income £490k. High Street lease renewals projected to reduce by £70k.
Community Services Directorate	Licensing Services	181,200	164,960	-16,240	-8.96%	
Community Services Directorate	Community Meals and TPT	713,020	772,660	59,640	8.36%	Salaries and computer software costs increase by £16k. Grant income is forecast to decrease by £43k.
Community Services Directorate	Office Services Team	-42,080	-103,210	-61,130	145.27%	Reduction in office moves and furniture (£20k). Rates estimate down by 37k.
Community Services Directorate	Housing Outside the HRA	46,150	44,910	-1,240	-2.69%	
Community Services Directorate	Other Property	-353,100	-494,800	-141,700	40.13%	£125k specific provision for Odeon and Old Orleans Maintenance Costs removed and reduction in management fees £15k.
Community Services Directorate	Pest Control	880	1,000	120	13.64%	
Community Services Directorate	Private Sector Housing	474,880	446,460	-28,420	-5.98%	Increase in fee Income from 5 year Houses in Multiple Occupation (HMO) Licences as a result of new requirements
Community Services Directorate	Project Aspire	0	0	0	0.00%	
Community Services Directorate	Public Health	79,900	84,500	4,600	5.76%	

Directorate	Service	2019-20	2020-21	VARIANCE £	VARIANCE %	Reason for variance
		ORIGINAL BUDGET £	DRAFT ESTIMATE £			
Community Services Directorate	Community Wellbeing	330,350	332,060	1,710	0.52%	
Community Services Directorate	Supporting People	0	0	0	0.00%	
						Reduction in income from Vehicle Licence application fees due to a reduction in the numbers of drivers and vehicles applying for licences as a result of increased competition from Uber.
Community Services Directorate	Taxi Licensing and Private Hire Vehicles	53,470	92,900	39,430	73.74%	
Community Services Directorate	Woking Road Depot Stores	0	0	0	0.00%	
Environment Directorate	Abandoned Vehicles	41,620	41,920	300	0.72%	
Environment Directorate	Business Forum	38,080	26,820	-11,260	-29.57%	
Environment Directorate	CCTV Systems	101,190	100,700	-490	-0.48%	
Environment Directorate	Cemeteries and Closed Churchyards	223,960	217,000	-6,960	-3.11%	
Environment Directorate	Clinical Waste	2,750	2,770	20	0.73%	
						Increase in cremation fees of £708k- New CAMEO abatement income of £20k- other income decrease of £45k
Environment Directorate	Crematorium	162,280	-501,820	-664,100	-409.23%	
Environment Directorate	Electric Theatre	5,730	0	-5,730	-100.00%	
Environment Directorate	Fleet Management Service	-38,710	-145,300	-106,590	275.36%	Savings due to new insurance policy
Environment Directorate	Legal Services	32,340	-18,370	-50,710	-156.80%	Growth in S106 agreement income.
Environment Directorate	Engineering and Transport Services	0	5,900	5,900	N/A	
Environment Directorate	Guildford House	413,180	407,790	-5,390	-1.30%	
Environment Directorate	Guildhall	149,450	145,190	-4,260	-2.85%	
Environment Directorate	Information Rights Officer	900	4,370	3,470	385.56%	
Environment Directorate	Land Drainage	304,970	294,970	-10,000	-3.28%	
Environment Directorate	Leisure Art Development	116,820	118,030	1,210	1.04%	
Environment Directorate	Leisure Community Centres	114,130	113,260	-870	-0.76%	
Environment Directorate	Leisure G Live	1,538,810	1,532,870	-5,940	-0.39%	
Environment Directorate	Leisure Grants	396,280	393,060	-3,220	-0.81%	
						Income in 19/20 included a payment from the contractor in respect of a shortfall in the management fee paid in previous years.
Environment Directorate	Leisure Management Contract	1,142,400	1,223,860	81,460	7.13%	
Environment Directorate	Leisure Play Development	212,530	216,490	3,960	1.86%	
Environment Directorate	Leisure Rangers	240,940	242,120	1,180	0.49%	
Environment Directorate	Leisure Sport Development	97,210	101,720	4,510	4.64%	
Environment Directorate	Markets	-97,340	-97,150	190	-0.20%	
Environment Directorate	Mot Bay	-5,390	2,220	7,610	-141.19%	
Environment Directorate	Guildford Museum	505,730	497,960	-7,770	-1.54%	
Environment Directorate	Off Street Parking	-5,546,550	-5,479,490	67,060	-1.21%	2% salary increase
Environment Directorate	On Street Parking	-433,820	-423,740	10,080	-2.32%	
Environment Directorate	Ordnance Survey and Mapping Services	8,070	8,070	0	0.00%	
						2% salary increase £57k. Premises related increase of £36k mainly electricity. Transport costs up by £17k. New traveller incursion budget of £15k.
Environment Directorate	Parks and Countryside	3,617,730	3,777,520	159,790	4.42%	
Environment Directorate	Park and Ride Services	773,170	695,090	-78,080	-10.10%	Savings in security as function now undertaken by GBC staff
Environment Directorate	Procurement	0	1,830	1,830	N/A	
Environment Directorate	Public Conveniences	289,640	291,860	2,220	0.77%	

Directorate	Service	2019-20	2020-21	VARIANCE	VARIANCE	Reason for variance
		ORIGINAL BUDGET	DRAFT ESTIMATE			
						2% salary increase (£47k)- No gate fees in 2020-21 (saving of £490k) but reduction in income as no more recycling credits (£393 net of payment per household) and garden waste income decrease £44k. Savings in transport related expenditure (£13k) and supplies and services (£16k)
Environment Directorate	Refuse and Recycling	3,490,110	3,439,600	-50,510	-1.45%	
Environment Directorate	River Control	37,210	37,210	0	0.00%	
Environment Directorate	Roads and Footpaths Maintenance	109,510	109,690	180	0.16%	
Environment Directorate	Snow and Ice Plan Holding Account	-1,570	-1,610	-40	2.55%	
Environment Directorate	SPA Sites	0	0	0	0.00%	
Environment Directorate	Street Cleansing	2,362,950	2,388,710	25,760	1.09%	2% salary increase
Environment Directorate	Street Furniture	108,090	108,090	0	0.00%	
Environment Directorate	Tourist Information Centre	240,620	256,170	15,550	6.46%	
Environment Directorate	Business and Tourism	441,560	449,070	7,510	1.70%	
Environment Directorate	Town Centre Management	-153,670	-112,420	41,250	-26.84%	Income for potential Wi-Fi joint venture project removed.
Environment Directorate	Transportation	20,650	20,650	0	0.00%	
Environment Directorate	Vehicle Maintenance Workshop	2,450	160	-2,290	-93.47%	
Environment Directorate	The Village	0	0	0	0.00%	
Environment Directorate	Woking Road Depot	59,150	65,010	5,860	9.91%	
Environment Directorate	Recycling, Cleansing and Parking Services Overhead Account	0	11,470	11,470	N/A	
Finance Directorate	Access Group for Guildford	4,870	5,310	440	9.03%	
Finance Directorate	Accountancy	-100,790	-106,270	-5,480	5.44%	
Finance Directorate	Business Rates	-16,220	-13,250	2,970	-18.31%	
						Borough Promotional expenses budget increased to reflect current levels of expenditure.
Finance Directorate	Civic Expenses	233,170	256,810	23,640	10.14%	
Finance Directorate	Council and Committee Support	428,270	431,900	3,630	0.85%	
Finance Directorate	Corporate Financial	303,890	277,390	-26,500	-8.72%	Reduction in the budget for Brokers fees based on previous years costs Training budget held in Corporate Services 19-20 in individual services
Finance Directorate	Corporate Services	1,131,750	1,028,950	-102,800	-9.08%	in 20-21.
Finance Directorate	Committee Services	2,080	6,230	4,150	199.52%	
Finance Directorate	Council Tax	551,110	559,720	8,610	1.56%	
Finance Directorate	ICT Customer Technical Support	0	0	0	0.00%	
Finance Directorate	Democratic Representation and Management	787,550	800,730	13,180	1.67%	
Finance Directorate	Elections	94,680	95,630	950	1.00%	
Finance Directorate	Electoral Registration	275,540	276,430	890	0.32%	
Finance Directorate	Feasibility Studies	40,470	40,470	0	0.00%	
Finance Directorate	Debtors	620	-1,360	-1,980	-319.35%	
						Increased salary costs and computer expenses £19k. Reduced DWP Admin grant £34k.
Finance Directorate	Housing Benefits	394,210	446,940	52,730	13.38%	
Finance Directorate	Insurance Revenue Account	-267,470	0	267,470	-100.00%	Savings shown against the Insurance Revenue account in 19/20, these savings have now been allocated across all services Provision for amortisation of intangibles will be deducted below the line.
Finance Directorate	IT Renewals Revenue Account	-667,370	-67,370	600,000	-89.91%	Part of depreciation charge

Directorate	Service	2019-20	2020-21	VARIANCE £	VARIANCE %	Reason for variance
		ORIGINAL BUDGET £	DRAFT ESTIMATE £			
Finance Directorate	Management Policy Strategy	5,600	510	-5,090	-90.89%	
Finance Directorate	Miscellaneous Items	895,030	1,197,890	302,860	33.84%	Increase in corporate inflation budget
Finance Directorate	Operations Technical Services	0	40,440	40,440	N/A	Reassessment IT & Telephone Infrastructure costs
Finance Directorate	Parish and Local Liaison	195,460	195,540	80	0.04%	
Finance Directorate	Payments And Purchasing	-68,140	-65,710	2,430	-3.57%	
Finance Directorate	Portfolio Management	40,080	72,990	32,910	82.11%	Income from street naming project has not been finalised.
Finance Directorate	Non Distributed Costs	2,100,300	2,103,500	3,200	0.15%	
Finance Directorate	Website	246,730	238,850	-7,880	-3.19%	
Finance Directorate	Guildford Youth Council	0	10	10	N/A	
Management Directorate	Community Development	318,000	319,100	1,100	0.35%	
Management Directorate	Customer Service Centre	-71,550	-67,520	4,030	-5.63%	
Management Directorate	Internal Audit	-25,370	-25,080	290	-1.14%	
Management Directorate	Business Improvement	25,370	29,780	4,410	17.38%	
Management Directorate	Future Guildford	0	0	0	0.00%	
Management Directorate	HR Services	0	-24,090	-24,090	N/A	Savings in medical fees based on previous years actual costs
Management Directorate	Other Employee Costs	106,420	99,950	-6,470	-6.08%	
Management Directorate	Payroll And Insurance	0	1,580	1,580	N/A	
Management Directorate	Public Relations and Marketing	448,870	454,360	5,490	1.22%	
Planning And Regeneration	Building Control Summary	382,190	391,430	9,240	2.42%	
Planning And Regeneration	Climate Change	-41,810	-38,650	3,160	-7.56%	
Planning And Regeneration	Development Control	916,110	800,610	-115,500	-12.61%	Increased income (S106 monitoring fee, pre-applications, PPAs- £147k total)- 2% increase in salaries
Planning And Regeneration	Local Land Charges	-19,950	-12,140	7,810	-39.15%	
Planning And Regeneration	Major Projects	605,150	610,530	5,380	0.89%	
Planning And Regeneration	Policy	1,330,660	1,316,970	-13,690	-1.03%	
Planning And Regeneration	Slyfield Area Regeneration Project (SARP)	74,910	74,660	-250	-0.33%	
		<u>20,990,000</u>	<u>22,811,560</u>	<u>1,821,560</u>		

Determination under S13A subsection (1)(c) of the Local Government Finance Act 1992 with effect from 1 April 2020 to 31 March 2021

Class

Surrey County Council care leavers who satisfy all of the following conditions:

- Are living independently or semi independently within Guildford Borough,
- Are aged 18 to under 25,
- Are liable to pay Council Tax (named on the Council Tax bill)

Reduction

100% of the care leaver's share of the liability following the application of any other reductions, discounts or exemptions.

Applications

Care leavers will be required to complete an application form giving details of their personal adviser from Surrey County Council so that Guildford Borough Council can verify that they meet the class criteria.

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Place-making and Innovation Executive Advisory Board Report

Ward(s) affected: Holy Trinity

Report of Director of Environment

Author: Paul Bassi, Project Manager

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Date: 20 November 2019

Guildford Public Realm Improvement Project - Progress Report

Executive Summary

At its meeting on 8 April 2019, the Executive 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. This report considers the outcome of this work and details the available options.

The scheme 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 is £1.3 million which comprises £1.248 million approved capital budget, £49,300 of revenue budget and a £10,000 contribution from Experience Guildford.

It should be noted that Swan Lane was brought within scope due to the offer of a financial contribution from a group of Swan Lane landlords. Also, that architectural lighting, public art and other public realm enhancements did not form part of the original scheme.

AECOM, our Principal Design consultants, have 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 are a core scheme that is within budget and an option that captures the broader scope derived from the consultation feedback which include improvements bespoke public realm enhancements (Architectural lighting and other furniture), along with more complex interventions to address Castle Street traffic issues. The latter option creates

budgetary pressures to the council and the need for additional funding if chosen.

The options proposed are as follows:

Option 1: The core scheme (including Chapel Street, Castle Street) plus Swan Lane. This option excludes architectural lighting, signage and wayfinding enhancements but addresses the core elements of road surface treatments, street lighting, traffic control interventions. This can be delivered for **£1.3million which is 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 replicates the lost historic 'square'. This will cost **£1.67 million. Additional funding of £367,000 will be required** through a virement from the capital contingency fund.

Officers also propose that the full capital cost of the project is funded from the New Homes Bonus reserve, in line with the New Homes Bonus policy approved by Council in February 2016. Funding the scheme from the NHB reserve will mitigate any on-going borrowing costs on the Council's general fund revenue account from this scheme.

To note both costed options, include pedestrian safety barriers for the High street including new gated access for West end of the High Street.

Recommendation:

That the Executive:

- 1) approves option 2 and agrees to progress to detailed design and construction.
- 2) that it approves for officers to proceed with the detailed designs for the preferred option, and to approve a virement from the Capital Contingency Fund up to £367,000.
- 3) Approves that the full capital cost of the preferred option is funded from the Council's New Homes Bonus Reserve

Reason for recommendation

To support the Council's strategic priority of increasing Guildford town centres' economic success, increasing accessibility and improving links between the High Street and Cultural Quarter.

1. Purpose of Report,

- 1.1. This report updates the Executive on the work undertaken to date and seeks executive's view on preferred option for officers to proceed.

2. Strategic Priorities

- 2.1 The proposals to improve the public realm supports the Council's Corporate Plan 2018 – 2023 theme of Place-making by:

“Regenerating and Improving Guildford’s town centre and Urban Area” by:

“Implement the vision of the town centre Implement the vision of the Town Centre Regeneration Strategy and

“Improve the public realm, including surfaces, in key town centre areas”

- 2.2 The economic strategy for 2013 -2031 aims for Guildford to be a ‘town and borough with: strong infrastructure; world-class businesses with capacity to expand and deliver growth: an evolving and vibrant economy, which creates a progressive and sustainable environment for people today and for future generations living in an ever-improving society.’

3. Background

- 3.1 The scheme's aim is to improve the public realm and pedestrian accessibility in Guildford town centre and to better connect the Castle grounds, museum and other heritage assets with the High Street.

- 3.2 Key areas of focus have been Chapel Street, Castle Street and Swan Lane. Swan Lane was a late addition to the scheme as local businesses offered to contribute to some of the cost of the scheme. See Map below:



- 3.3 Pedestrian safety measures have been included to manage vehicular traffic in the High Street and adjoining streets and increase pedestrianisation in the town centre.
- 3.4 Although Surrey County Council (SCC) are the Highway Authority for most of the town centre public realm, Guildford Borough Council (GBC) is committed to retaining the quality of its public realm beyond the minimal statutory standard delivered by SCC.
- 3.5 GBC has developed a town centre masterplan and streetscape guide to enable GBC to raise the standard of the public realm that ensures our historic town centre heritage is conserved for future generations.
- 4. Project Progress**
 - 4.1 Since the appointment of AECOM as lead consultant, the focus has been on public consultation and developing feasibility design options that address issues raised from the consultation and site analysis.
 - 4.2 The consultation process involved three in situ walkabout sessions in May 2019, over 3 days, to meet and discuss matters with the local businesses and residents who live in or around the principal streets of Castle Street, Chapel Street and Swan Lane.
 - 4.3 The walkabout sessions were supplemented by an online survey. This generated over 400 responses promoted via social media and targeted letter drops within local town centre area. Results of the walkabout sessions and online consultation exercise are summarised in Appendix 1.

- 4.4 The stakeholder feedback generated a range of useful views: From the public online consultation exercise, respondents considered the resurfacing of Swan Lane with setts/cobbles to be the highest priority as setts were considered one of the most popular features of Guildford. Other issues identified in the focus group sessions with local residents, accessibility groups, amenity groups (HTAG), councillors and businesses were:
- A. Traffic issues and the need for a pedestrian crossing on Castle Street.
 - B. Accessibility of Chapel Street and more pedestrianisation across the town centre.
 - C. Improving visitors' experiences through creating a welcoming environment with better lighting and crime prevention measures.
- 4.5 AECOM has produced a costed feasibility study that is informed by the consultation, our existing policies to produce a detailed SWOT analysis of each street. This considered approach has resulted in the two options proposed concept designs for each street. These are shown in Appendix 2.

5. Costed Options

- 5.1 The costed options presented by AECOM will need to be further informed by measured surveys, utility and legal searches but each option has considered stakeholder feedback, accessibility, council policies, public highway regulations, planning and heritage issues.
- 5.2 As there are no detailed designs nor decisions made on lighting, furniture and fittings, a provisional sum has been placed against each of these items to enable estimations of full project cost.
- 5.3 The scheme is at an early feasibility stage. Therefore, AECOM have proposed a 5% design contingency and 10% construction contingency to reflect the design stage uncertainties. However, as GBC has a more cautious risk appetite, a further 10% contingency has been added across the full project cost.
- 5.4 Although a further access audit is required it is assumed that a central York stone pathway will be the preference for both Chapel Street and Swan Lane.
- 5.5 The options developed from the feasibility study are as follows:
- 5.6 **Option 1 – Core scheme**
- 5.7 This scheme can be delivered at an estimated cost of **£1.3million. This is within our approved budget of £1.3 million.** Table 1 sets out the key elements:

Table 1 – Option 1

Site	Description	Cost	Comment
Swan Lane	Full resurfacing with Cobble setts and central path of York stone, includes heritage streetlights	£186,098	Excludes architectural lighting, shop signs, and gateway features
Chapel Street	Full resurfacing with Cobble setts and central path of York stone, includes heritage streetlights	£124,820	Excludes architectural and festoon lighting, shop signs, and gateway features
Castle Street East	works to improve road layout introduce a raised pedestrian crossing to castle grounds to Tunsgate	£436,010	Excludes lighting, and gateway features. Pedestrian crossing is signified by a change of materials
Castle Street West	Pedestrian crossing using traditional material	£42,368	Raised level crossing using Staffordshire blue pavers
Pedestrian Safety Measures	Upgrade or new bollards and gates to meet PAS 68 standards on Market St, Swan Lane, Tunsgate, Chapel Street and High Street	£167,680	All Townscape furniture including new vehicle gates on west exist end of High Street
Sub Total £956,976			
OTHER COSTS			
Design and Development Fees		£224,840	
Total Fees and Works		£1,181,816	
Total plus extra contingency	GBC risk factor of additional 10%	£1,299,997.00	Within £1.3million budget

Option 2 – Enhanced Scheme

- 5.8 This scheme costed at £1.6million responds more fully to the aspirations from public engagement and includes significant public realm enhancements to Chapel Street, Castle Street and Swan Lane. Details are shown in Table 2 below.
- 5.9 This scheme includes integrating better street lighting (reverting modern fixtures to heritage style lamps and columns), and Architectural lighting for heritage features and for events (seasonal festoon lighting etc) which would provide a more welcoming environment to support night time economy and deter crime.
- 5.10 A more holistic and detailed wayfinding and signage fixtures and furniture that develop strong local identity and promote local heritage, and a rationalisation of shop signage and remove street clutter, particularly A Boards that have proliferated causing access issues.
- 5.11 Of note and contributing to a significant increase in cost is the traffic measure treatment to improve pedestrian crossing at Tunsgate/ Castle Street junction to reduce vehicle travelling down the one way which will also recreate a former historic ‘public square’ at this location that would better link the Castle grounds to the High Street.
- 5.12 The other significant difference to Option 1 is proposed a widening of the pavement by The Keep public house to deter illegal parking who do not adhere to the existing parking restrictions in place.

Table 2 - Option 2

Site	Description	Cost	Comment
Swan Lane	Relay with Cobble setts and central York stone	£221,667	includes architectural lighting, shop signs, and gateway features but includes streetlights
Chapel Street	Full relay with central York stone from High Street to Castle St. Lighting, wayfinding	£168,452	Includes lighting, shop signs, and gateway features includes streetlights
Castle Street East	Castle street works to improve road layout and introduce a large raised table crossing	£625,096	A larger raised table using high quality materials, includes widening of road pavement at March Hare public house, architectural lighting, and streetlights, street furniture (seats)

Castle Street West	Pedestrian crossing and widening of pavement	£42,368 £69,938	raised levels crossing between Chapel Street and castle grounds using Staffordshire blue pavers and creating narrow highway to limit nuisance parking
Pedestrian Safety Measures	Bollards and Gates to meet PAS standards	£167,680	All Townscape furniture including gates and bollards
Sub-total of works		£1,295,2012	
OTHER COSTS			
Design and Development fees total	Sub-total of fees	£228,840	
Total	total of fees and works	£1,524,041	
TOTAL with GBC extra risk contingency of 10%		£1,676,445.1	Additional Budget of £376,000 will be required

Town centre pedestrian safety measures

- 5.13 AECOM have developed the vehicle restriction options following an assessment by Surrey Police and other key stakeholders. The area of focus is the pedestrianised area in and around the High Street and the aim is to ensure that all existing barriers comply with the current standard (PAS68) for protecting pedestrians.
- 5.14 The options proposed will mean upgrading the existing high street barriers and installing new PAS68 compliant gates at both ends of the High Street. A visualisation of the east exit of the High Street proposed new gates is shown below and in Appendix 3:



- 5.15 Additional bollards/gates will also be located at Tunsgate, Chapel Street, Market Street and Swan Lane.
- 5.16 There are very limited options for gates and bollards that are PAS68 compliant and the designs are generally utilitarian, and preference is for products from Townscape due to cost and design. To achieve complementary heritage style gates will require a bespoke manufacturing process which is expensive and takes longer to produce than standard gates.
- 5.17 The cost of the barriers is based on using Townscape furniture which are most in keeping with existing style but this will need to be further developed to reduce the street clutter impact they may present.

Risk and Issues

- 6.0 As with any scheme cost certainty increase as it progresses into detailed designs phase. As we are in feasibility stage there is a substantial contingency, reflected in AECOM project cost and with a further additional contingency GBC we have added to the overall cost estimate. This therefore takes contingency from 10% to 20% for both design and construction risks.
- 6.1 The outstanding land searches need to be undertaken to understand the impact on the under crofts of adjoining buildings that may exist as this will affect road construction. To reduce this risk, a visual inspection of all properties will also be undertaken as land searches are not always correct.
- 6.2 The proposal will impact on parking management. This will be resolved through any future Traffic Regulation Orders required. There will also be opportunity to look at wider traffic impacts to help issues on Castle Street which can be built into the scheme as detailed designs are developed.
- 6.3 Works that affect any buildings will add further complexity to the project particularly if needing listed building consent and/or planning permission in the conservation area. The core scope option reduces this risk. However, in Option2 this risk will result in significant delays to develop this area of design and consents.
- 6.4 AECOM fees, procured through SCAPE Framework, represent a significant proportion of the total cost. It also excludes professional service-related fees incurred during construction which have now been factored in to other professional fees. The additional contingency added to the total cost shall also cover these elements and some other professional services such as clerk of works. We could retender all professional services to test the open market via open competition, but this will delay the project and lose continuity of knowledge and relationships now developed with stakeholders.
- 6.5 Architectural lighting and wayfinding (as proposed in Option 2) will have significant impact on look and feel of the scheme. These aspects are what the public generally would appreciate most and creates a sense of place. However,

they are the design elements that require consents from landlords as well as planning which may delay delivery of the project.

- 6.6 The proposed financial contribution from a landlord on Swan Lane remains uncertain and unlikely as pressure on retailing continues. Discussions to seek contributions are continuing but we do not envisage the contribution would now be likely due the significant cost of works and unstable retail market.

Financial implications

- 7.1 There is currently £1.248 million available approved capital funding supplemented by £49,320 revenue to deliver the Public Realm Scheme. Guildford have also set aside £10,000 contribution towards this scheme. This amounts to a total of £1.307 million to deliver a scheme.
- 7.2 Executive approved provisional budget of £2 million for town centre public realm improvement in Jan 2017. A drawdown of £835,000 to capital programme was approved in July 2017 to fund phase 1 works which related to Tunsgate. A further drawdown of £200,000 was made in February 2019 to complete stage 1 works and progress stage 2 was made under delegated authority.
- 7.3 The £2 million capital budget was further supported by £260,000 approved budget relating to pedestrian safety measures that was transferred to a single public realm capital programme in the April 2019 Executive report.
- 7.4 The £10,000 of contribution from Guildford's BID towards high street barriers as well as potential funding from Swan Lane Landlords will be welcome contribution to the scheme.
- 7.5 As outlined in paragraph 5.7 above, Option 1 can be delivered within the budget for the scheme of £1.3million.
- 7.6 As outlined in paragraph 5.12, As Option 2 is the preferred option, additional funding of £376,000 will be required. Officers therefore request a virement of £376,000 from the New Homes contingency fund.
- 7.7 The project is currently anticipated to be funded from general fund borrowing. As the scheme is on the approved capital programme and the virement is from the capital contingency fund there is no additional underlying need to borrow or debt cost on the Council's general fund revenue account than that already budgeted for. However, in order to mitigate the borrowing costs on the general fund, officers now propose that the scheme is funded from the New Homes Bonus Reserve as delivery of improvements to public realm meets the criteria of the New homes Bonus Policy approved by Council in February 2016.

Consultation

- 8.1 The public consultation has been useful to inform the concept plans proposed. Attached is a summary feedback from both the Online Questionnaire and Walkabout sessions.

- 8.2 The walkabout sessions were attended to be focus groups to be able to get more detailed feedback. They were attended by ward councillors, local groups such as Holy Trinity Amenity Group, businesses, Experience Guildford, Guildford Access Group and local residents. Each event was publicised by a letter drop to all properties on each street.
- 8.3 Walkabout feedback from Local businesses were mostly about disruption and timing of any works preferring this to happen after the New Year or other peak seasons, provisions for delivery vehicles, and supporting visitors experience by better lighting and CCTV for both night time economy and early winter nights. Whilst the amenity group emphasis was on pedestrianisation, conserving existing granite setts or replacing setts like for like and dealing with nuisance parking/parking issues.
- 8.4 From both walkabout sessions and the online survey, accessibility was considered to be most significant for Chapel Street due to the uneven surface and the narrow pavement at the High Street End and better street furniture to improve surrounding. Tackling Castle Street's confusing one-way system and inadequate pedestrian crossing was also high on residents' priorities to resolve.
- 8.5 The online questionnaire survey was publicised via a social media campaign and generated 12,000 hits on our Facebook account. This resulted in over 400 responses. Preference was for Swan Lane to be recobbled as this was considered the most unattractive of all the streets being proposed for improvement.
- 8.6 Within the programme going forward there are plans for further public exhibitions to both present the preferred option and then the final option to ensure the public are aware of the programme of works. As the designs are still in feasibility stage, there will be opportunity to refine scheme further and particularly to see how best we can address pedestrian crossing at the Castle Square.

Legal Implications

- 9.1 It is open to the Executive to select its preferred option. In exercising this discretion, Members should be mindful of their duty under the Section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the "Best Value" duty).
- 9.2 Each of the options outlined in this report require varying legal and procurement actions. Officers from Legal Services and the Procurement team will continue support the progress of this project to ensure best value outcomes.
- 9.3 It is confirmed that AECOM have provided the contracted services in accordance with the budgetary allocation for those services. A decision on a preferred option

for this project will assist officers prepare a specification to support the appointment of a designer for the works.

- 9.4 All contracts related to this project must be procured in a manner which complies with the Public Contract Regulations 2015 and Guildford Borough Council's Procurement Procedure Rules.

Equality and Diversity Implications

- 10.1 We will continue to review and update the EIA as the project progresses. As accessibility is a key success criterion a full EIA will be completed.

Human Resource implications

- 11.1 There are no HR implications.

Summary of Options

- 12.1 The outcome of the site analysis and consultation exercises provided AECOM with more informed understanding of the issues than outlined in original scope and hence the range of options now presented. There is a budgetary constraint for option 2 scheme. However, the opportunity to deliver an enhanced scheme will see a significant step change in the benefits of the scheme and opportunity to deliver a more consistent streetscape so that there is a more united look and feel of Guildford's public realm.
- 12.2 The Enhanced Option does present an increase budgetary cost. This is namely attributed to the larger 'raised square' at Castle Street. However, the cost increases are also from inclusion of architectural lighting, furniture, signage, shop signs and public art which are inherently more complex to deliver, as the delays in getting collective response from all landlords to have a standardised approach to such fixtures to their building may be protracted leading to cost inflation.
- 12.3 The preferred option (option 2) delivers the benefits of better disability accessibility of key routes from Chapel Street and Castle Street, whilst enhancing conservation of local heritage character of Swan Lane with appropriate choice of materials. Lastly it will increase pedestrian safety through additional barriers within the High street area.

Next Step

- 13.1 To move the project forward, a decision is required on the preferred option to progress to detailed designs, and procurement of lead designer as AECOM, have completed their contractual services obligations, for detailed design stage works. As additional capital GBC funding is required, this will need to be approved by Executive.

Programme

- 14.1 The following programme sets out an estimated timescale for delivery of Option 1 which is the only option within budget.
- 14.2 There is preference for construction for each street to be sequential as opposed to all at once hence the possible 6months to the programme timeline.

Events	Nov2019	Dec	Jan 2020	Feb 2020	Mar	April	May	June	July	Aug	Sept
Appoint Lead Designer											
Develop Public Exhibitions of preferred options											
Host Public Event											
Develop Detailed designs											
Planning Permissions (if Required)											
Exhibition of final scheme											
Procure main contractor											
Contract Start on Site											
Works completion											

- Appendix 1- Consultation Summary
- Appendix 2 – Design Options
- Appendix 3 – High Street 3D Visuals Pedestrian Safety measures

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Public realm Online Survey- Summary of feedback

Introduction

Guildford Borough Council conducted an online survey to inform our plans to deliver improvements to Swan Lane, Chapel Street and Castle Street as well as pedestrian safety measures for the High Street.

Methodology

The online survey was launched on 7 June 2019 and closed on 3rd July 2019. The survey was promoted by social media on various platforms including council website, twitter, Facebook which received over 12,000 hits. Publicity for the survey was also amplified by local press coverage.

About our respondents

A total of 403 individual responses were received from our online questionnaire. Although our questionnaire was not restricted to Guildford residents, over 90% of respondents said they lived in the Guildford, 76% of responders said they visit Guildford for shopping/ leisure interest and 72% of responders work in Guildford Town centre.

Just over 9% of responders said they would describe themselves as having a disability.

Result of the questionnaire do not represent a statistical viable representation of either Guildford population or visitors to the area, however it is still a useful feedback on general views from those living, using or impacted by the proposed scheme.

1. Why is Guildford attractive

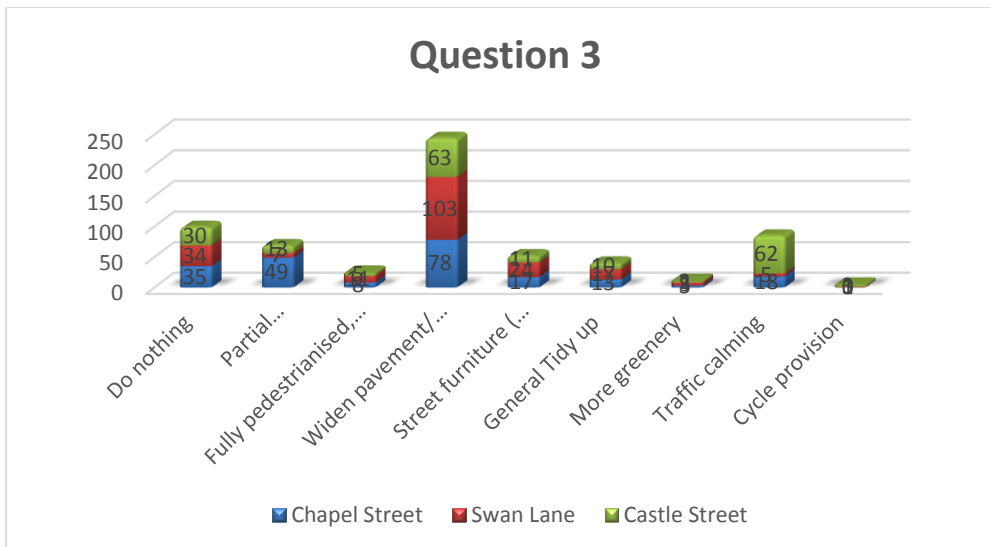
The majority of respondents (41%) considered that Guildford main attraction is its cobbled streets above the shopping retail/leisure experience which was the second most popular attraction at 30%. Interestingly, Guildford's large wealth of cultural and heritage offers only appealed to 8% of respondents and 9% of respondent stated Greenspaces were reasons that make Guildford attractive.

2. How to improve our town centre

70% of respondents felt that to make Guildford an attractive place we should use high quality or traditional materials to maintain materials used in the conservation area of the Historic Streets and 57% considered prioritising pedestrian accessibility in the town centre being important to them.

3. Options to improve Swan Lane, Chapel Street and Castle Street

Support for widening or improvement of pavements represented the most popular option from over 60% all respondents compared to 24% who said to 'do nothing' (see below). Chapel street was favoured by 12% of respondents, which was the most preferred location street to be suggested to be partially pedestrianised against 3% to do nothing. Suggestion for full pedestrianisation for all streets was lower than Partial pedestrianisation. Swan Lane should be noted is already fully pedestrianised reflected in the low support for this feedback.



4. Navigation and wayfinding

Generally, nearly all (over 82% respondents) were supportive of better signage, more publicity – media and local interpretation map to improve wayfinding across town centre.

5. Traffic Regulation

More than 70% of respondents stated that Traffic Regulation Order may require changing to promote pedestrianisation on both Castle Street and Swan Lane.

6 Pedestrian crossing and traffic

Overwhelming majority felt that some intervention is required to address traffic issues on Castle Street whilst 16% of respondents said none is required. Redesigned of the street as one way was stated as a solution by 12% of responses. Around 10% wanted traffic lights or better signage. Other suggestions included speed restrictions, roundabout, enforcement/CCTV and parking restrictions to improve road use and safety.

7 Pedestrianisation and safety

Around 86% of respondents agreed that pedestrianisation should be encouraged more where possible. Whilst over 80% agreed that there should be more measures to restrict vehicular conflict with pedestrians.

8. Accessibility and on street furniture

The al fresco environment created by outdoor seating was generally thought as a positive contribution to the town scape. Better restriction and regulation on outdoor seating was suggested by 17% of respondents and 14% respondents felt seating restricted access for wheelchairs, buggies and those with visual disabilities. Uneven surface, clutter and litter were noted as concerns associated from having outdoor seating along with too much commercialisation of streetscape through use of signboards.

9. Priority of works

Swan Lane was proposed by 34% of respondents as primary focus for improvements. The next priority considered by respondents for improvements was Chapel Street (32%) and last was Castle Street .

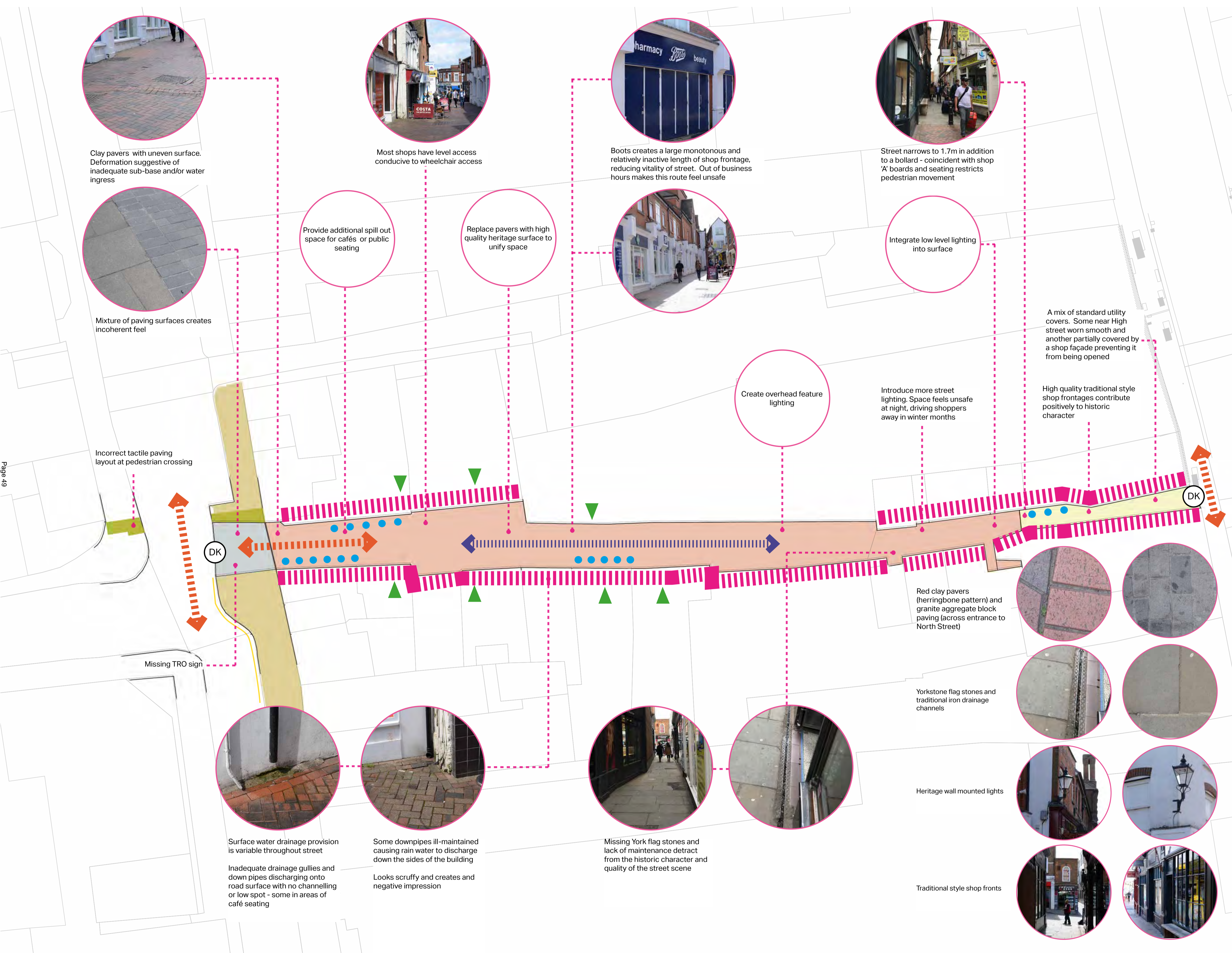
There were a range of improvements suggested from listed in order of popular preference as follows: addressing uneven surface, pedestrianisation, traffic management and signage.

There was a preference for all work to be done before Christmas 2019 or to avoid the retail period peak season.

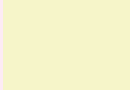






10. Tunsgate

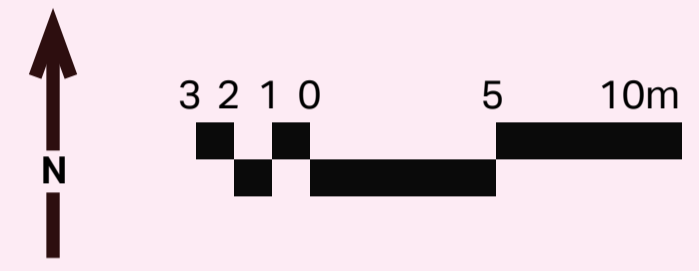
An overall of 76% of respondents agreed that the pedestrianisation of Tunsgate was an improvement.

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LANDSCAPE FEATURES

-  Yorkstone (random pattern)
-  Granite Setts
-  Brick herringbone
-  Tactile Paving
-  Drop Kerb
-  Yellow Road Markings
-  Manhole



KEY

-  Shop Access
-  Key Vehicular Routes
-  Key Pedestrian Routes
-  Active Frontages
-  Seating Area

S.W.O.T ANALYSIS

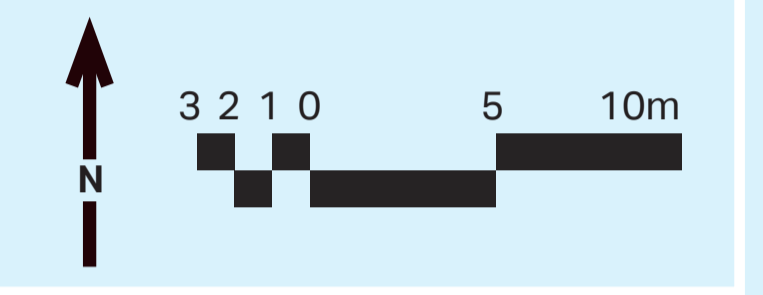
- STRENGTH**
- High pedestrian flows during retail opening
 - Unique space - part of historic street pattern
 - Good open façades and retail access
- WEAKNESS**
- Difficulty servicing retail
 - Appearance of paving
 - Poor lighting
 - Streetscape - bland
- OPPORTUNITY**
- Promote heritage
 - Improve retail sense of place
 - Safety improvements - night lighting
 - Branding street & wayfinding
- THREATS**
- Weak retail market
 - Complex steps and access requirements
 - Drainage

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LANDSCAPE FEATURES

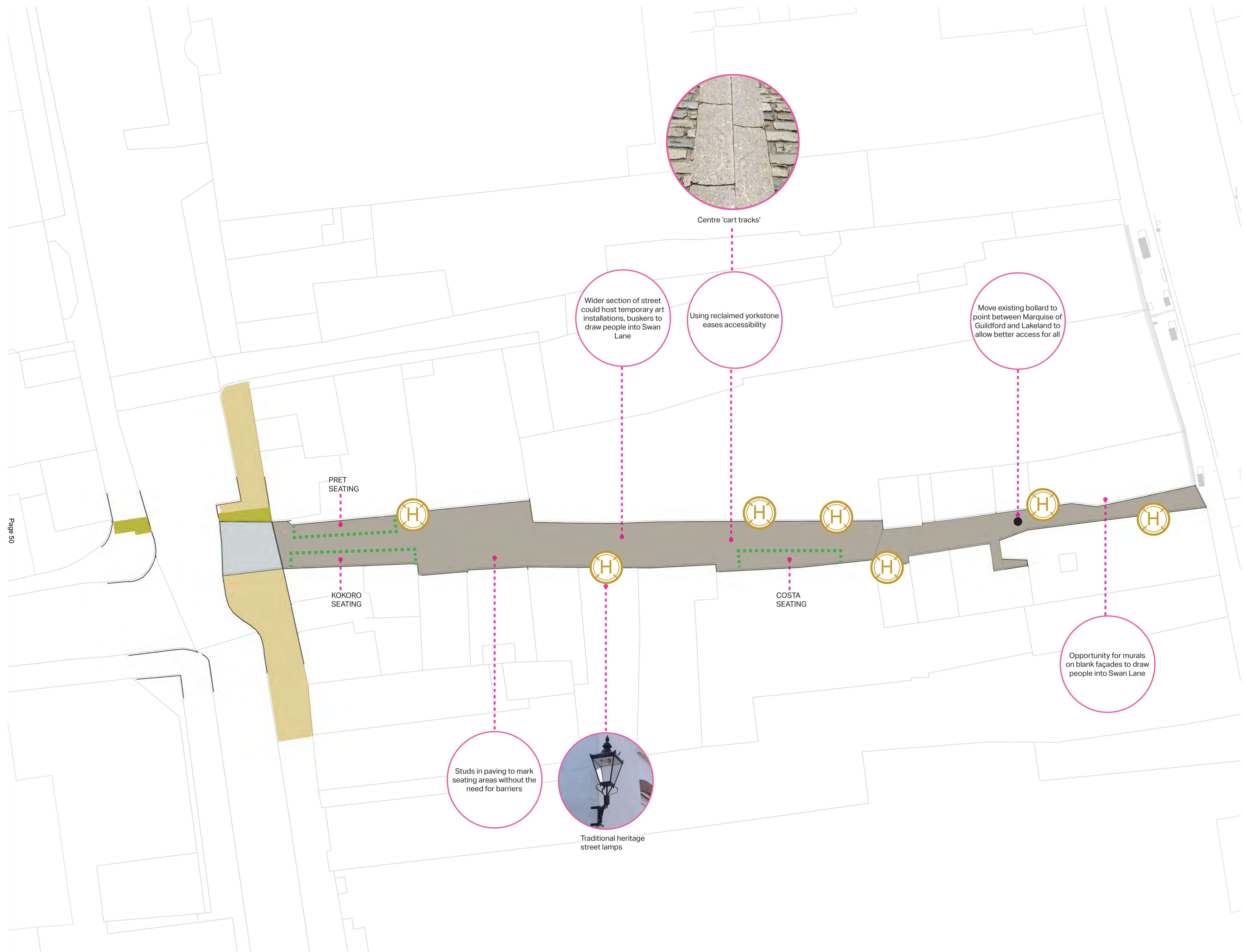
- Yorkstone (random pattern)
- Cobbles (proposed)
- Granite Setts
- Tactile Paving
- Yellow Road Markings
- Manhole

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Appendix 2

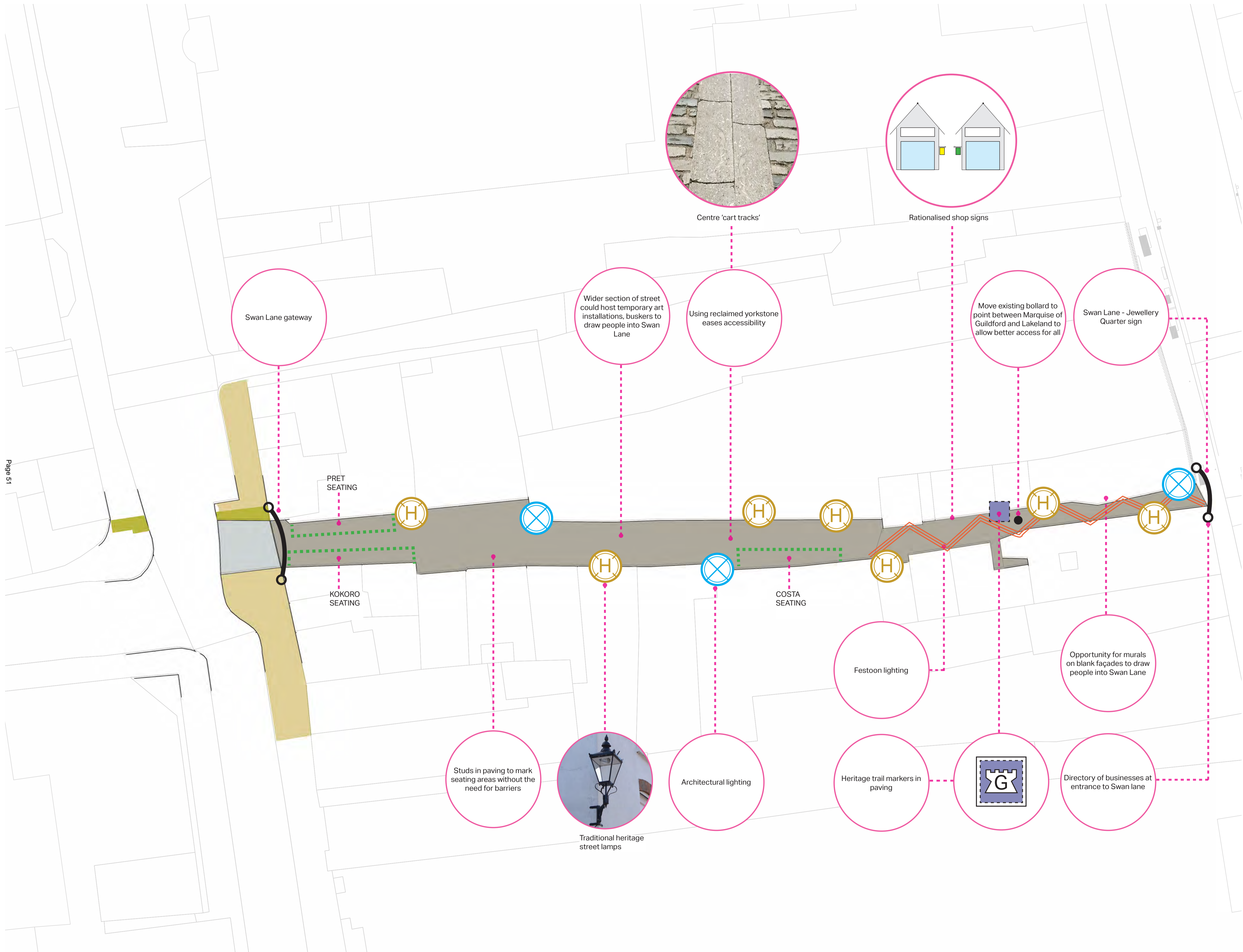


KEY

- Heritage Lighting

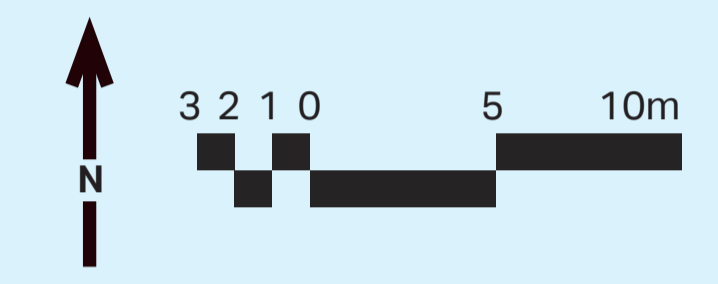


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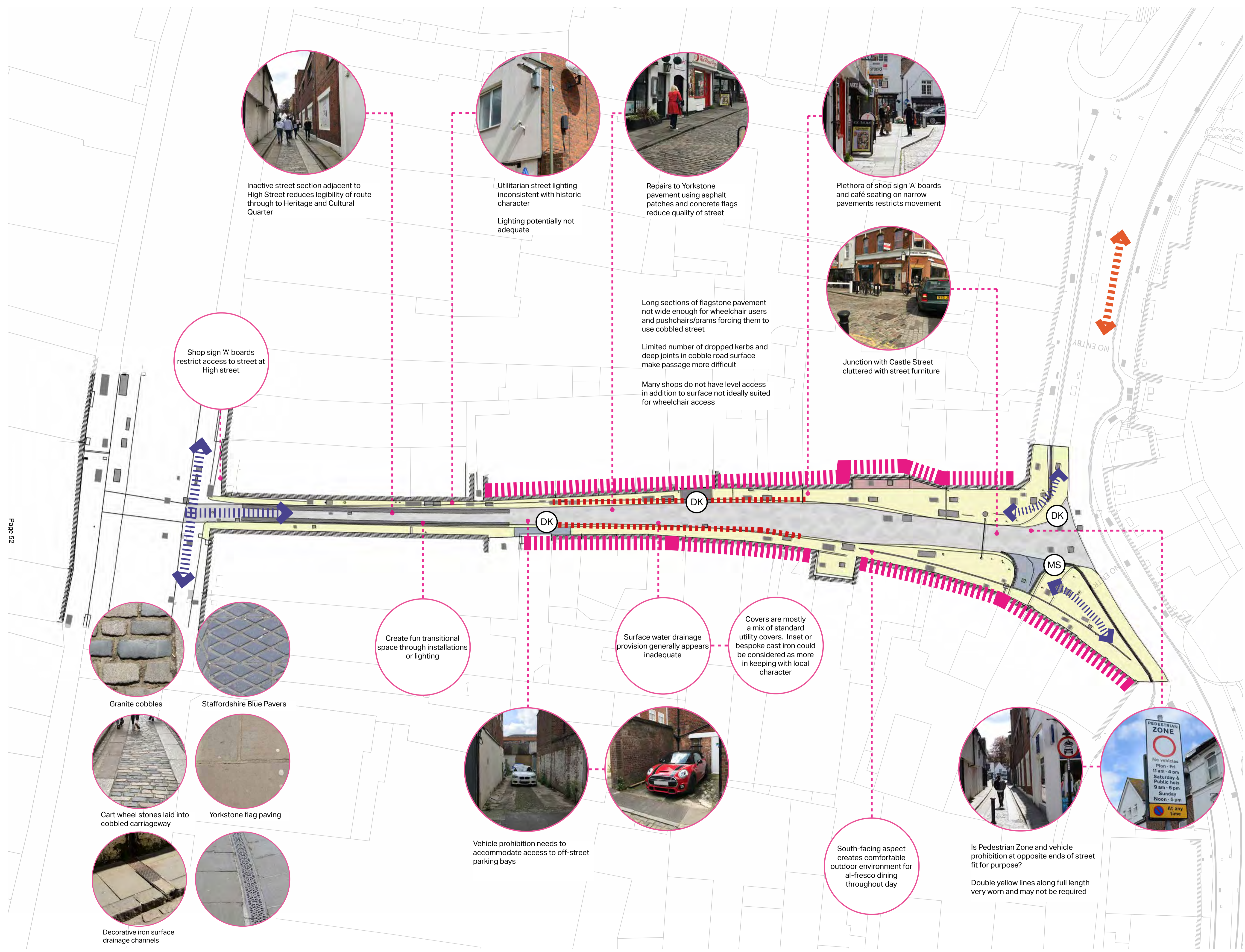
LANDSCAPE FEATURES

- Yorkstone (random pattern)
- Cobbles (proposed)
- Granite Setts
- Tactile Paving
- Yellow Road Markings
- Manhole



KEY

- Architectural Lighting
- Heritage Lighting
- Gateway Feature
- Heritage Trail Marker
- Lighting



LANDSCAPE FEATURES

- Yorkstone (random pattern)
- Asphalt
- Granite Setts
- Staffordshire Blue Pavers
- Brick Paving
- DK Drop Kerb
- MS Metal Studs
- Yellow Road Markings
- Manhole

3 2 1 0 5 10m

KEY

- Key Vehicular Routes
- Key Pedestrian Routes
- Active Frontages
- Area of Conflict

S.W.O.T ANALYSIS

STRENGTH

- Pedestrian street with good heritage character
- Tight urban grain creates interest
- Mix of independent retail

WEAKNESS

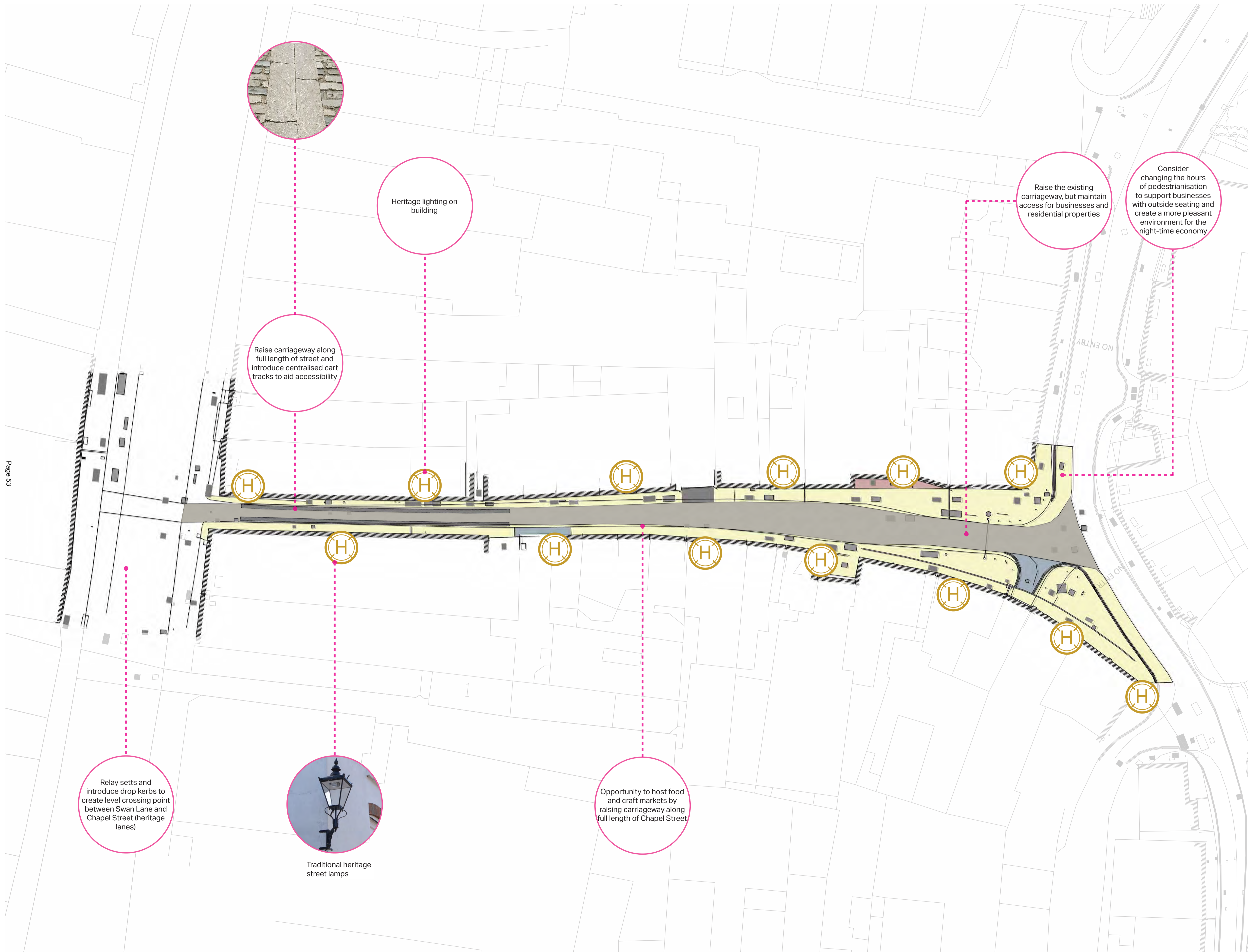
- Conflicts between traffic and pedestrians
- Limited breakout spaces for restaurants
- Narrow and uneven access along street

OPPORTUNITY

- Enhance this existing character
- Promote streetscape to provide and increase f&b

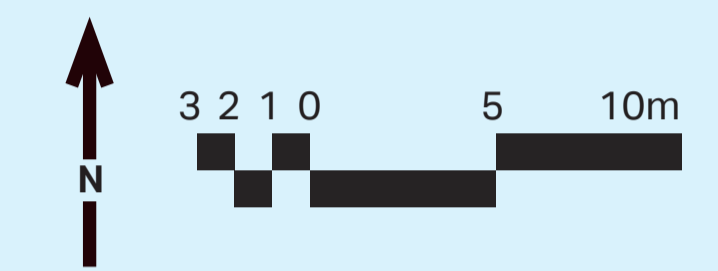
THREATS

- Parking and access impedes pedestrians
- Change in retail environment




LANDSCAPE FEATURES

-  Yorkstone (random pattern)
-  Asphalt
-  Cobbles (reuse existing)
-  Staffordshire Blue Pavers
-  Brick Paving
-  Manhole

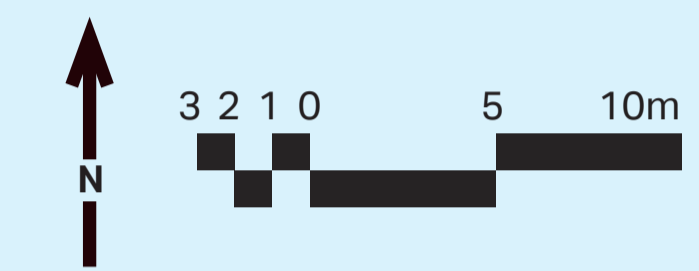


KEY

-  Heritage Lighting

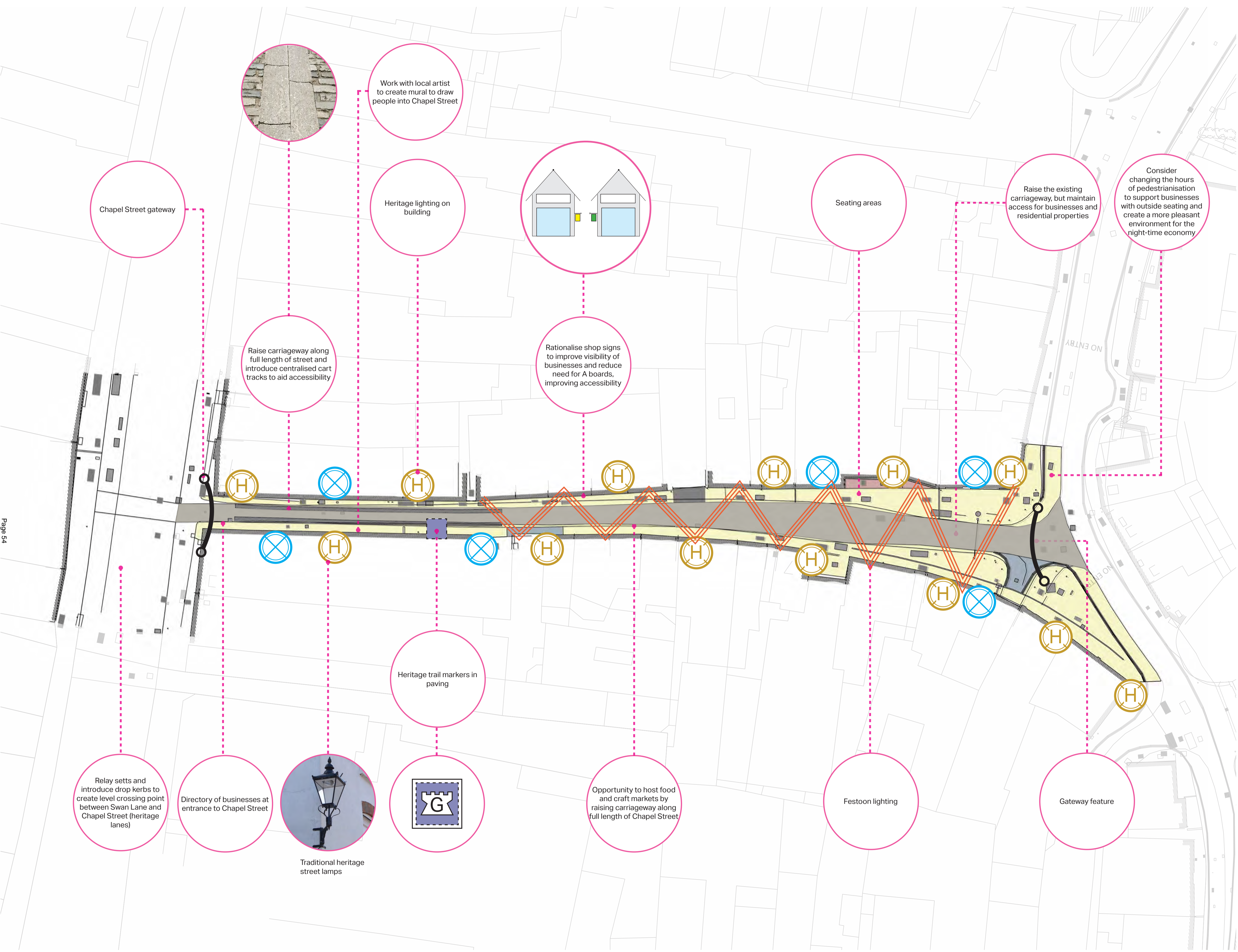
LANDSCAPE FEATURES

- Yorkstone (random pattern)
- Asphalt
- Cobbles (reuse existing)
- Staffordshire Blue Pavers
- Brick Paving
- Manhole



KEY

- Architectural Lighting position TBD
- Heritage Lighting
- Gateway Feature
- Heritage Trail Marker
- Festoon Lighting - year round



Chapel Street gateway

Work with local artist to create mural to draw people into Chapel Street

Heritage lighting on building

Rationalise shop signs to improve visibility of businesses and reduce need for A boards, improving accessibility

Seating areas

Raise the existing carriageway, but maintain access for businesses and residential properties

Consider changing the hours of pedestrianisation to support businesses with outside seating and create a more pleasant environment for the night-time economy

Raise carriageway along full length of street and introduce centralised cart tracks to aid accessibility

Rationalise shop signs to improve visibility of businesses and reduce need for A boards, improving accessibility

Heritage trail markers in paving

Relay setts and introduce drop kerbs to create level crossing point between Swan Lane and Chapel Street (heritage lanes)

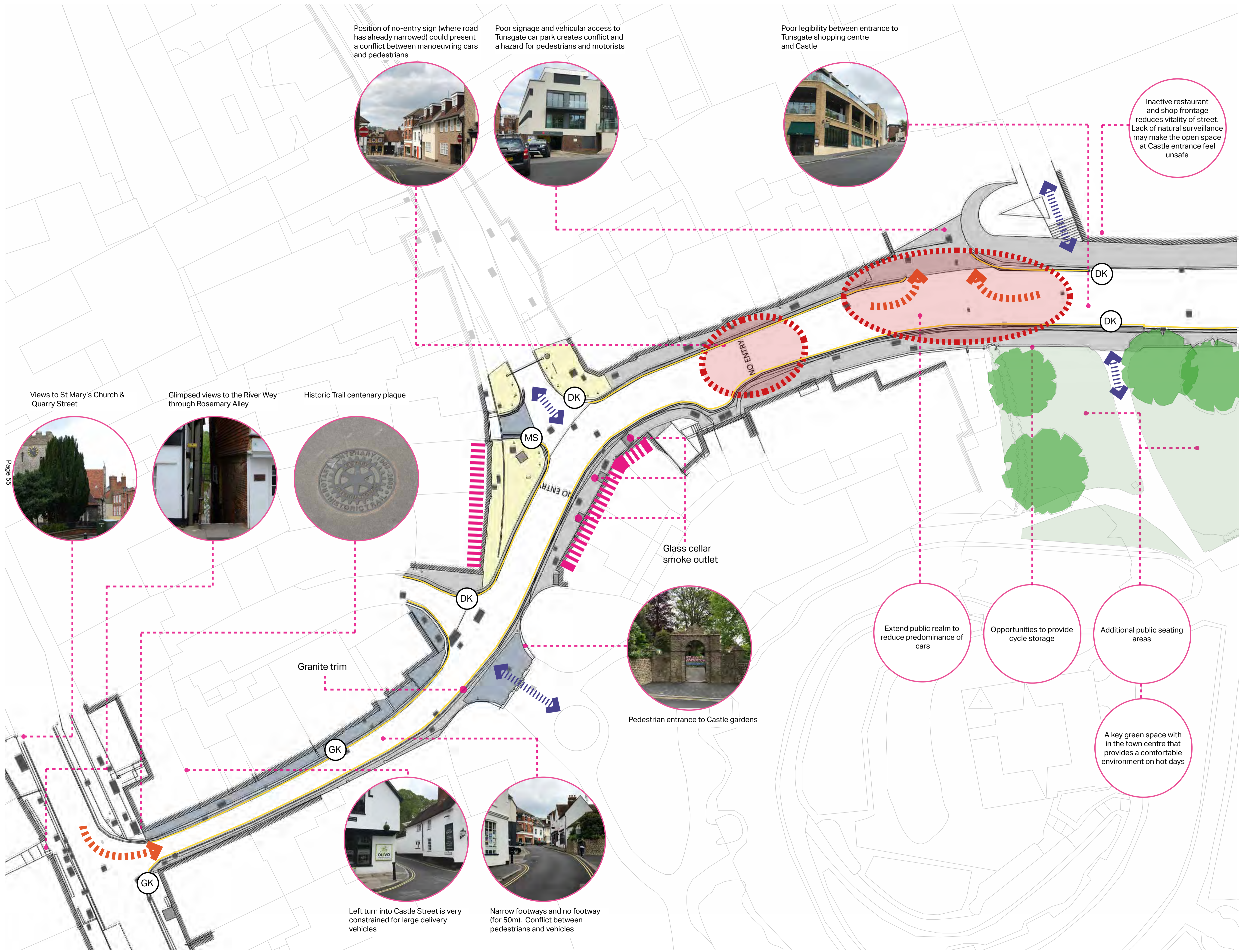
Directory of businesses at entrance to Chapel Street

Traditional heritage street lamps

Opportunity to host food and craft markets by raising carriageway along full length of Chapel Street

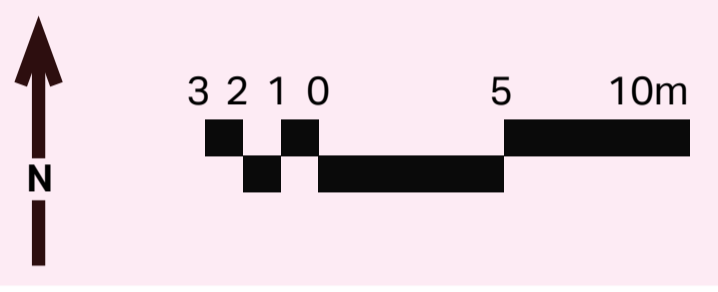
Festoon lighting

Gateway feature



LANDSCAPE FEATURES

- Yorkstone (random pattern)
- Asphalt
- Staffordshire Blue Pavers
- Metal Studs
- Drop Kerb
- Granite Kerbs
- Existing Trees
- Yellow Road Markings
- Manhole

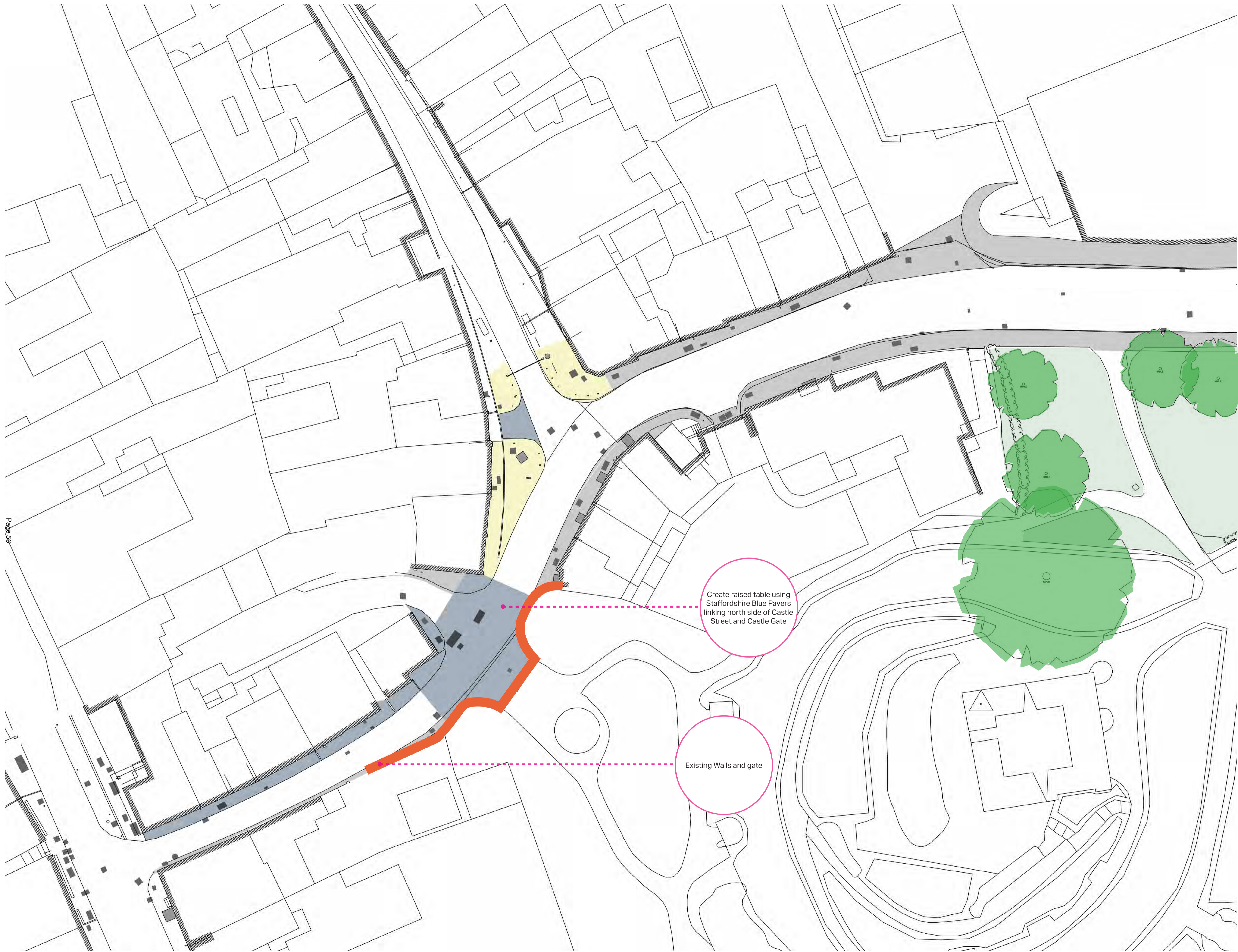


KEY

- Key Vehicular Routes
- Key Pedestrian Routes
- Active Frontages
- Area of Conflict

S.W.O.T ANALYSIS

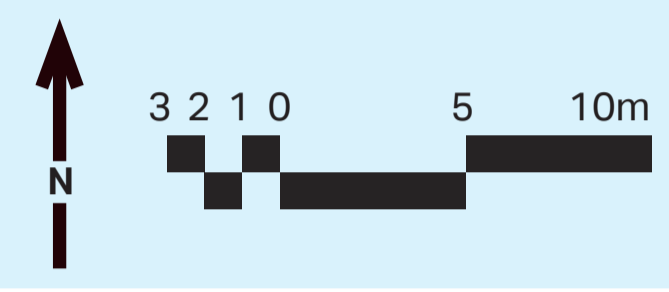
- STRENGTH**
- Part of historic & cultural core of Guildford
 - Good architectural merit & tight urban grain
 - Important pedestrian route
- WEAKNESS**
- Poor legibility of streetscape
 - Narrow pedestrian routes creates conflict with traffic
 - Conflict with delivery vehicle
- OPPORTUNITY**
- Improved wayfinding can enhance connectivity
 - Safer & defined pedestrian routes
 - Strategic placement of street furniture
- THREATS**
- Uncontrolled vehicular movement
 - Becoming a 'rat run' west-east across city



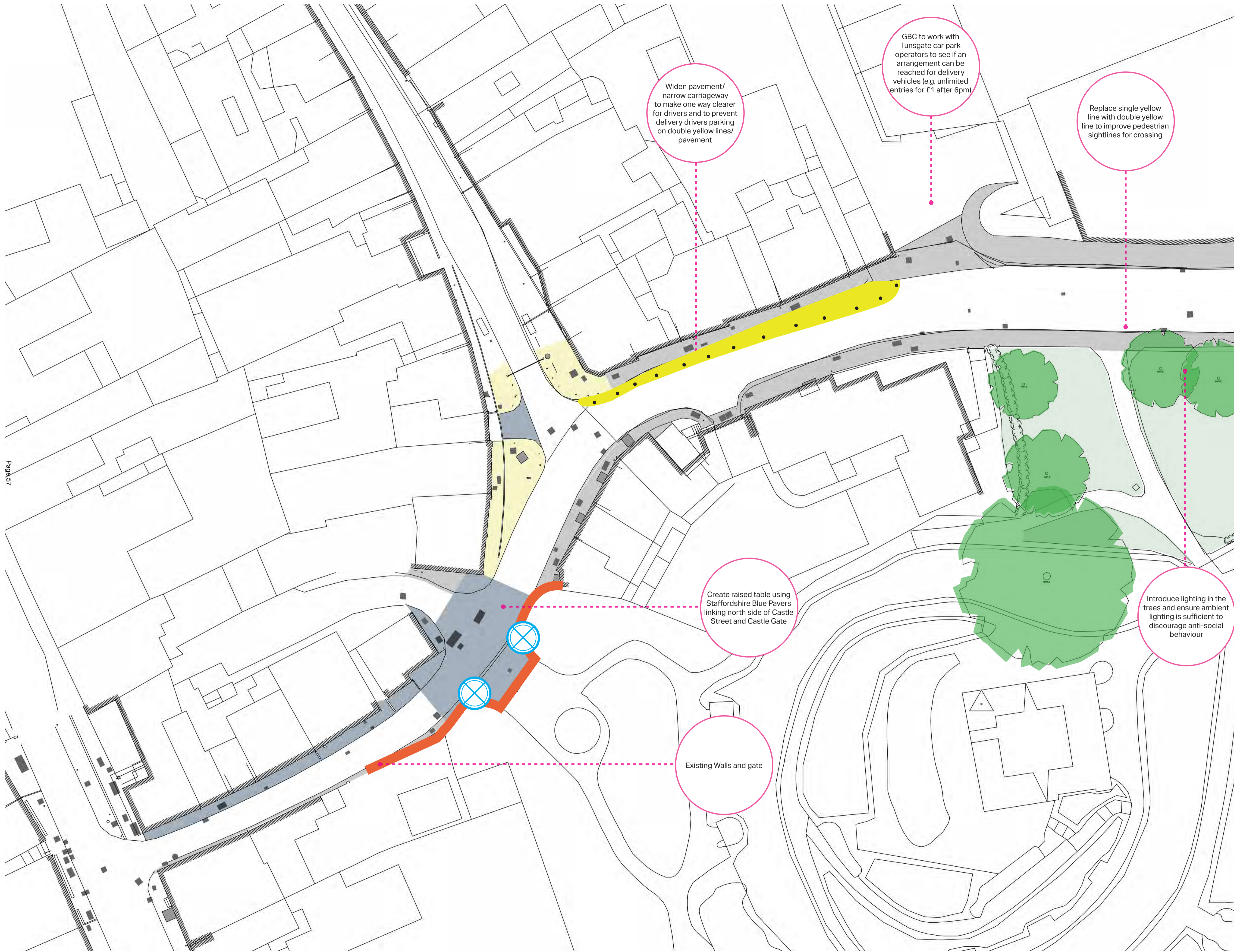
LANDSCAPE FEATURES

- Yorkstone (random pattern)
- Asphalt
- Staffordshire Blue Pavers
- Existing Trees
- Manhole

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Appendix 2

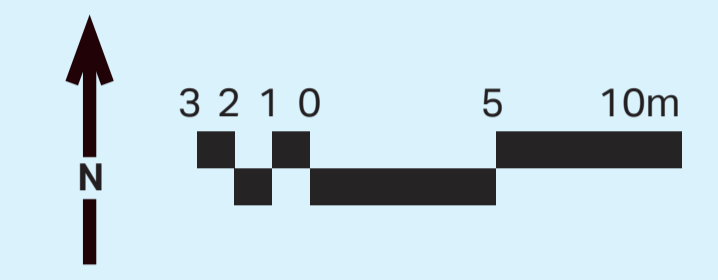


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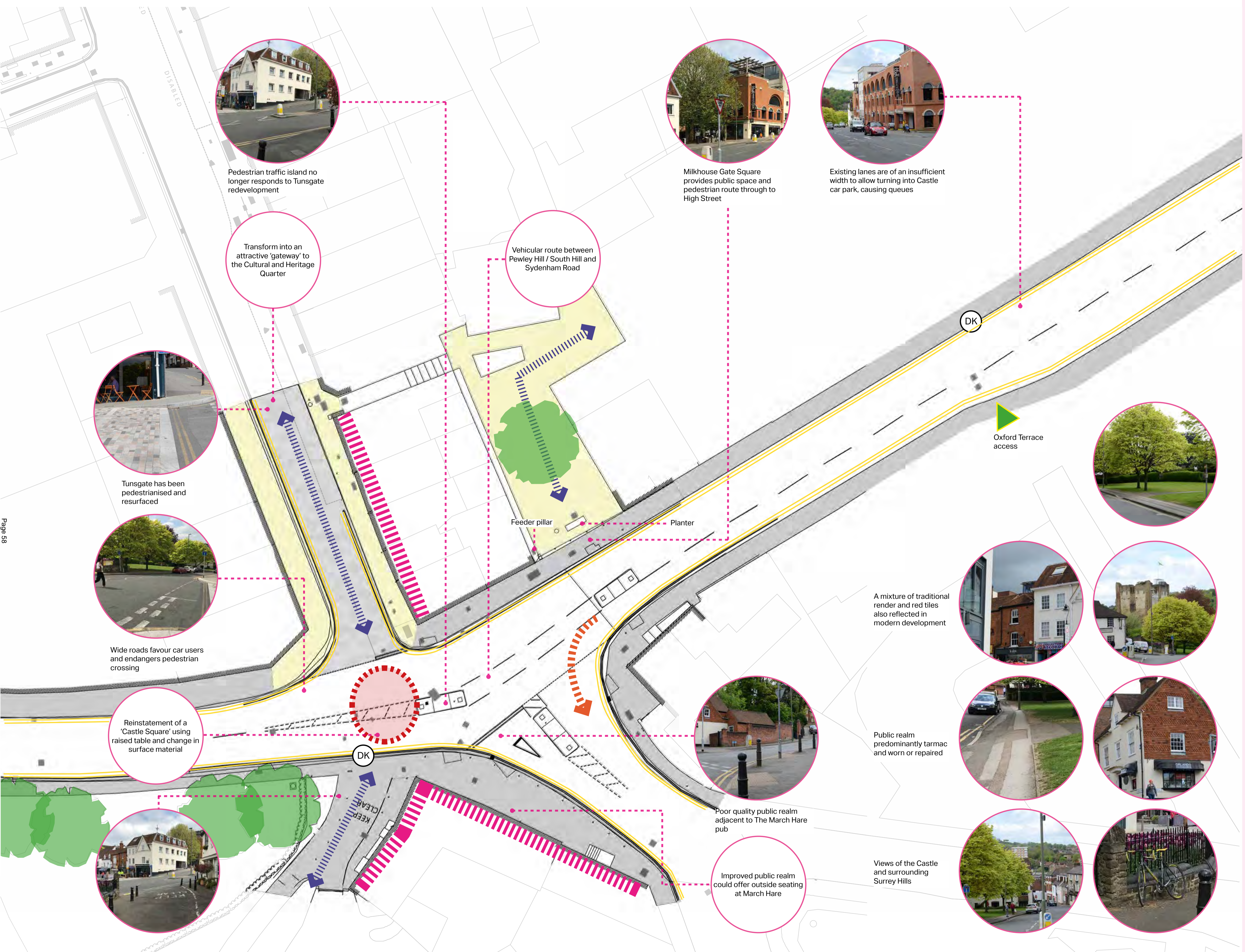
LANDSCAPE FEATURES

-  Yorkstone (random pattern)
-  Asphalt
-  Staffordshire Blue Pavers
-  Existing Trees
-  Manhole



-  Architectural lighting

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LANDSCAPE FEATURES

- Yorkstone (random pattern)
- Asphalt
- Granite Setts
- Tactile Paving
- Drop Kerb
- Existing Trees
- Yellow Road Markings
- Manhole

Scale: 0, 5, 10m

KEY

- Key Vehicular Routes
- Key Pedestrian Routes
- Active Frontages
- Area of Conflict

S.W.O.T ANALYSIS

STRENGTH

- Various routes for pedestrians
- Connected to historic city features
- Tunsgate offers inclusive route
- New improved Tunsgate

WEAKNESS

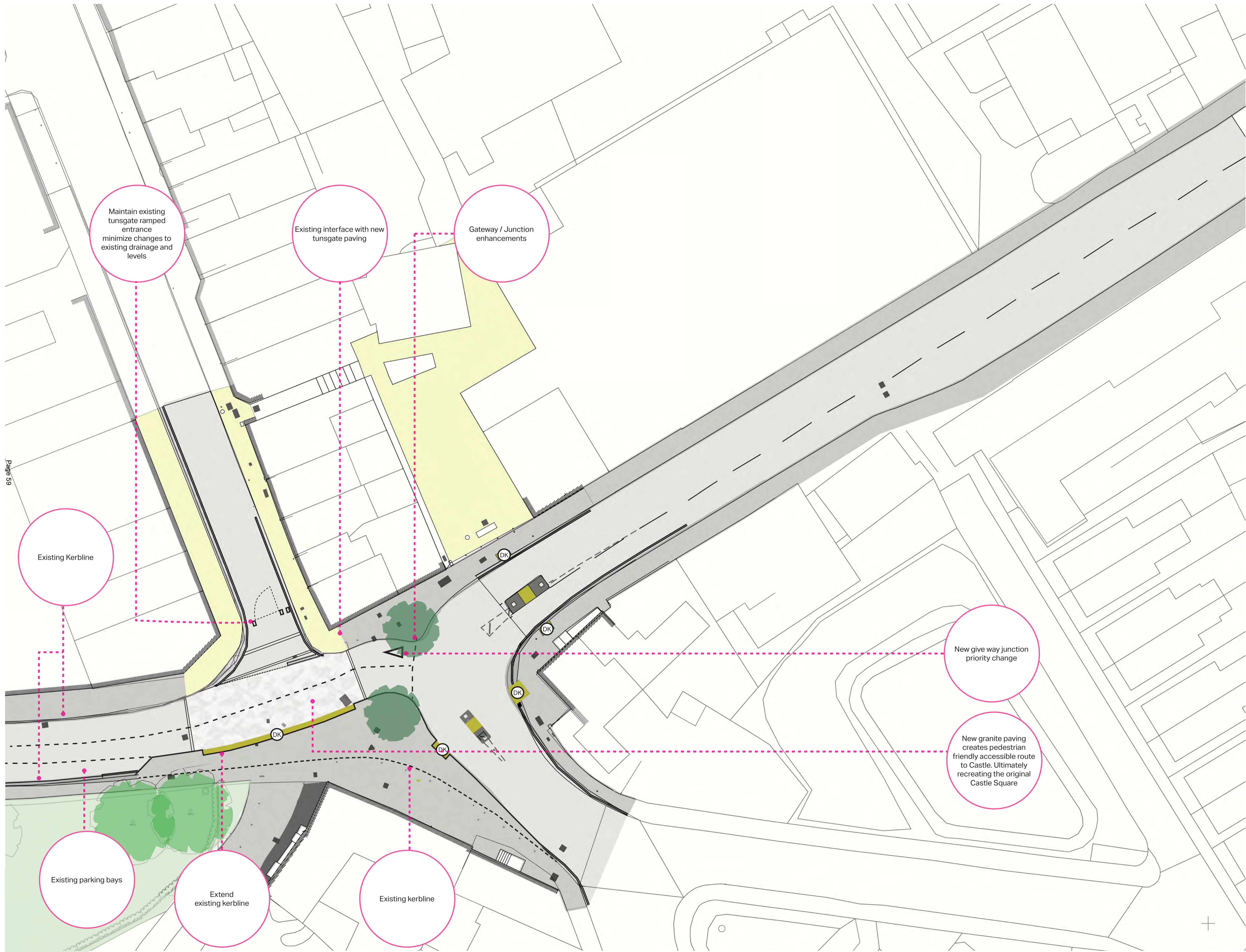
- Conflicts with pedestrians
- Wide highway corridor
- Traffic focused
- Poor wayfinding

OPPORTUNITY

- Reconfigure highway to promote movement
- Create safe crossing points
- Connect Castle back into historic Core of Guildford

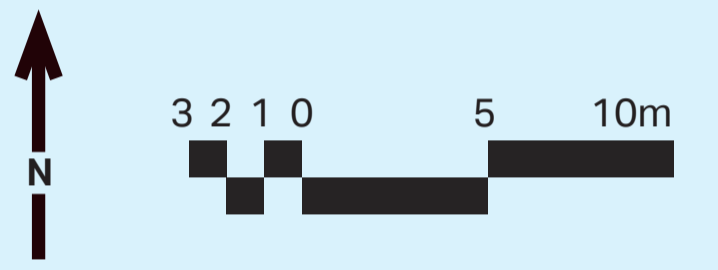
THREATS

- Complex transport modelling
- Volume of traffic

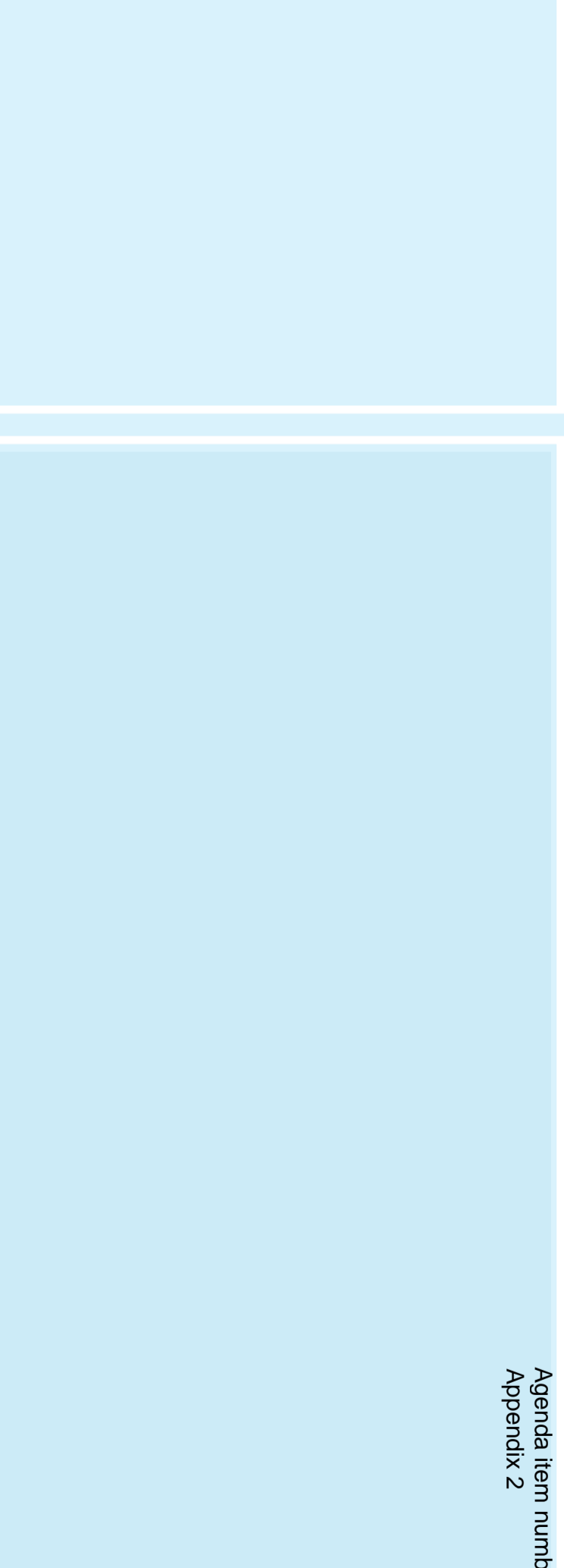


LANDSCAPE FEATURES

-  Yorkstone (random pattern)
-  Tarmac
-  Granite Setts
-  Tactile Paving
-  Grass
-  Existing Tree
-  Proposed Trees
-  Manhole



KEY

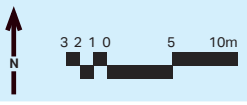


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LANDSCAPE FEATURES

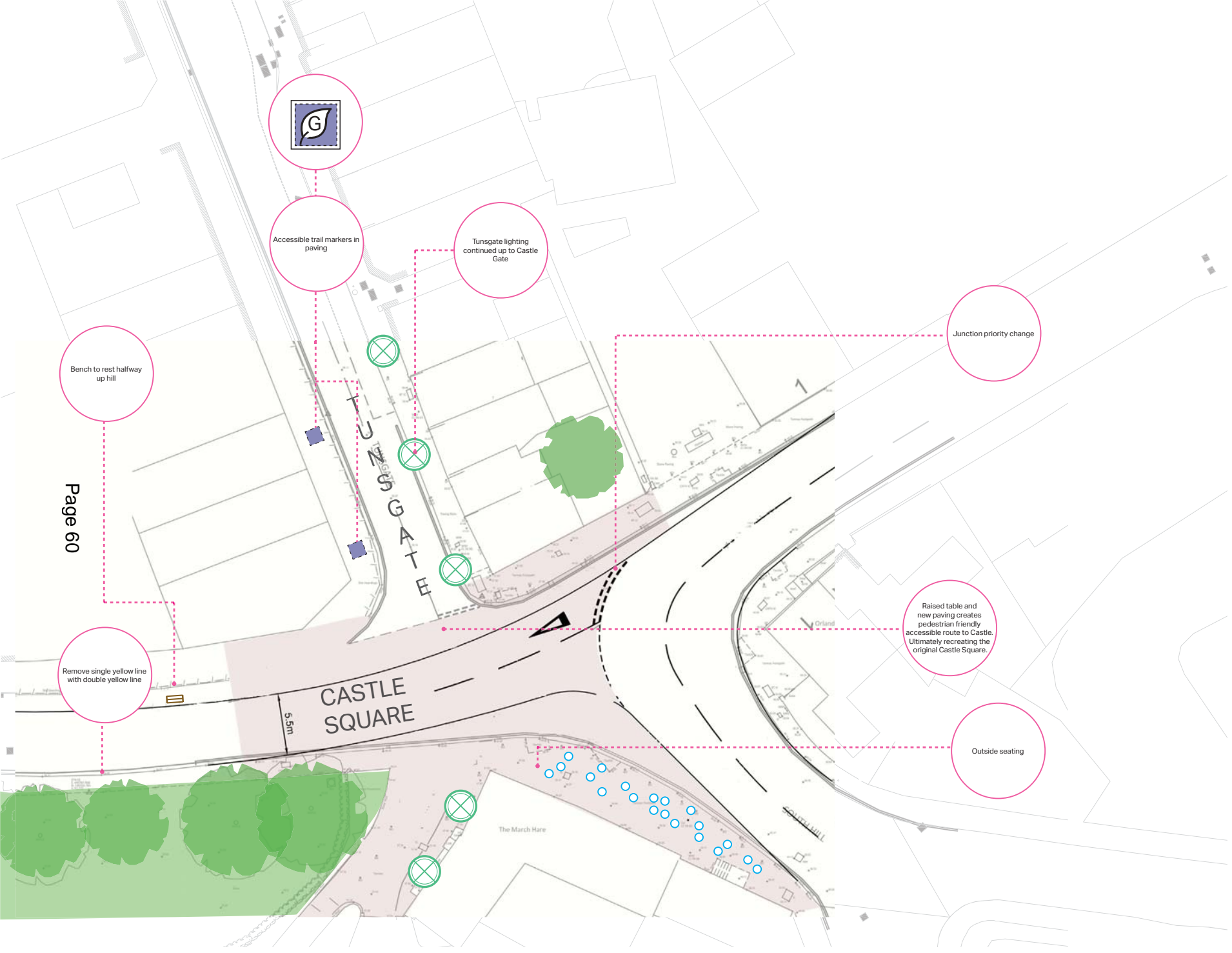
-  Yorkstone (random pattern)
-  Proposed Paving Surface
-  Granite Setts
-  Tactile Paving
-  Grass
-  Existing Trees
-  Proposed Trees
-  Manhole

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KEY

-  Tunsgate Lighting
-  Accessible Trail Marker
-  Seating Area



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Pedestrian safety measures

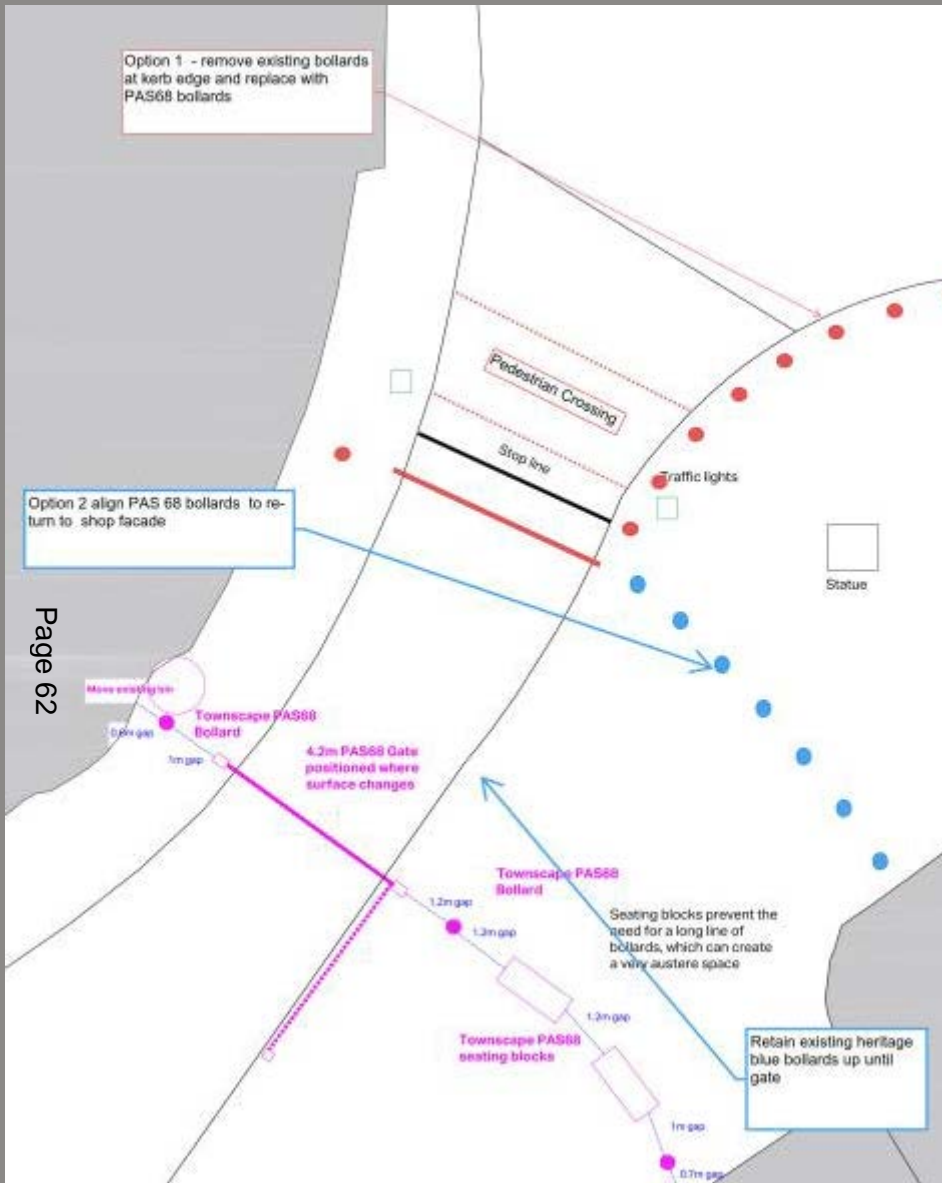
Guildford Public Realm

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September 2019

AECOM

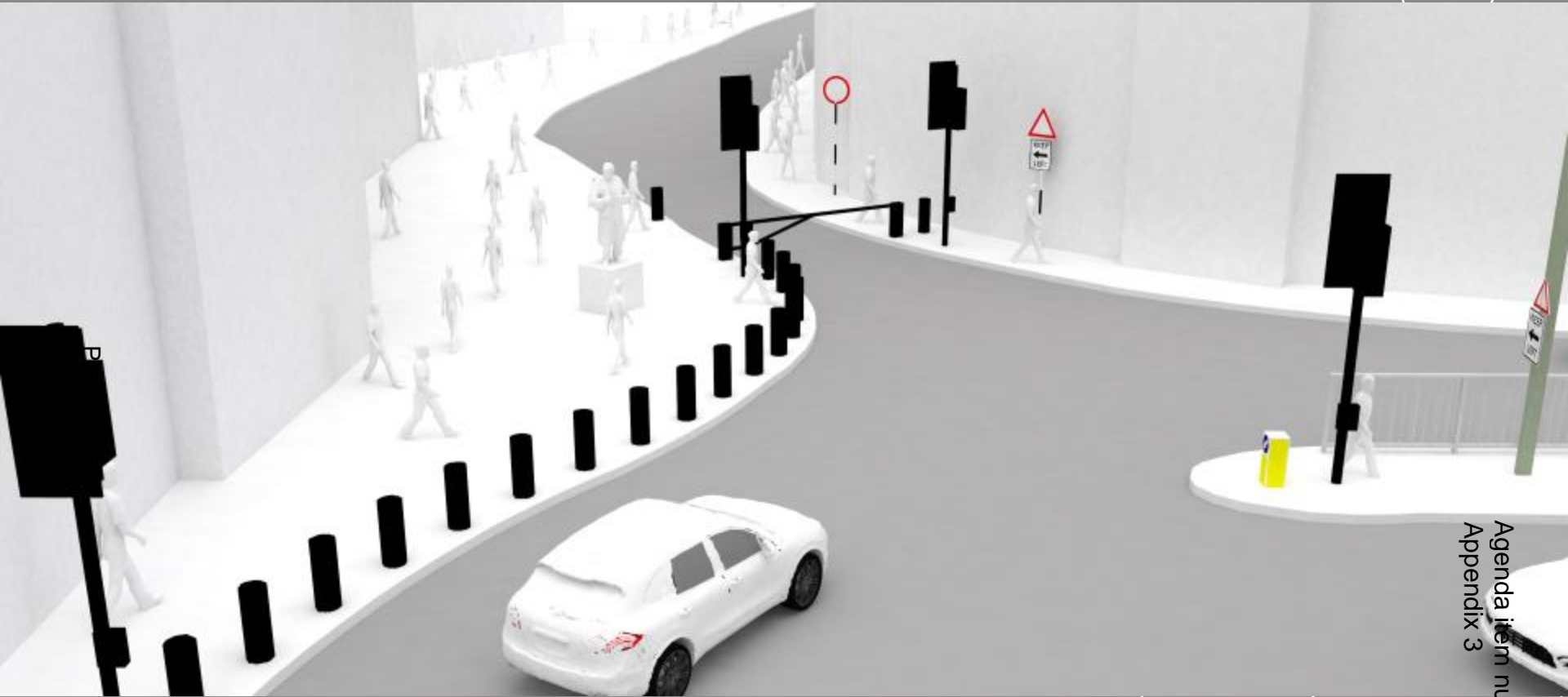


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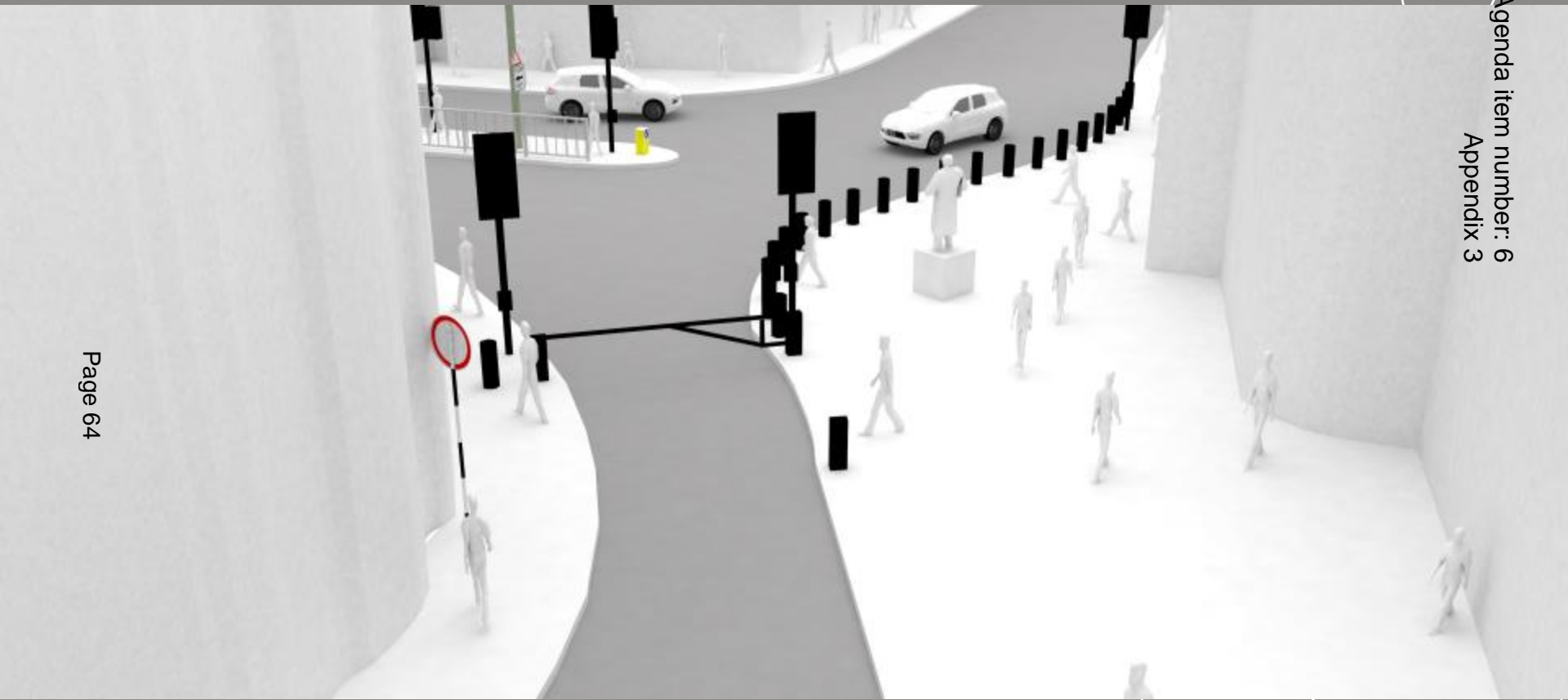
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Appendix 3

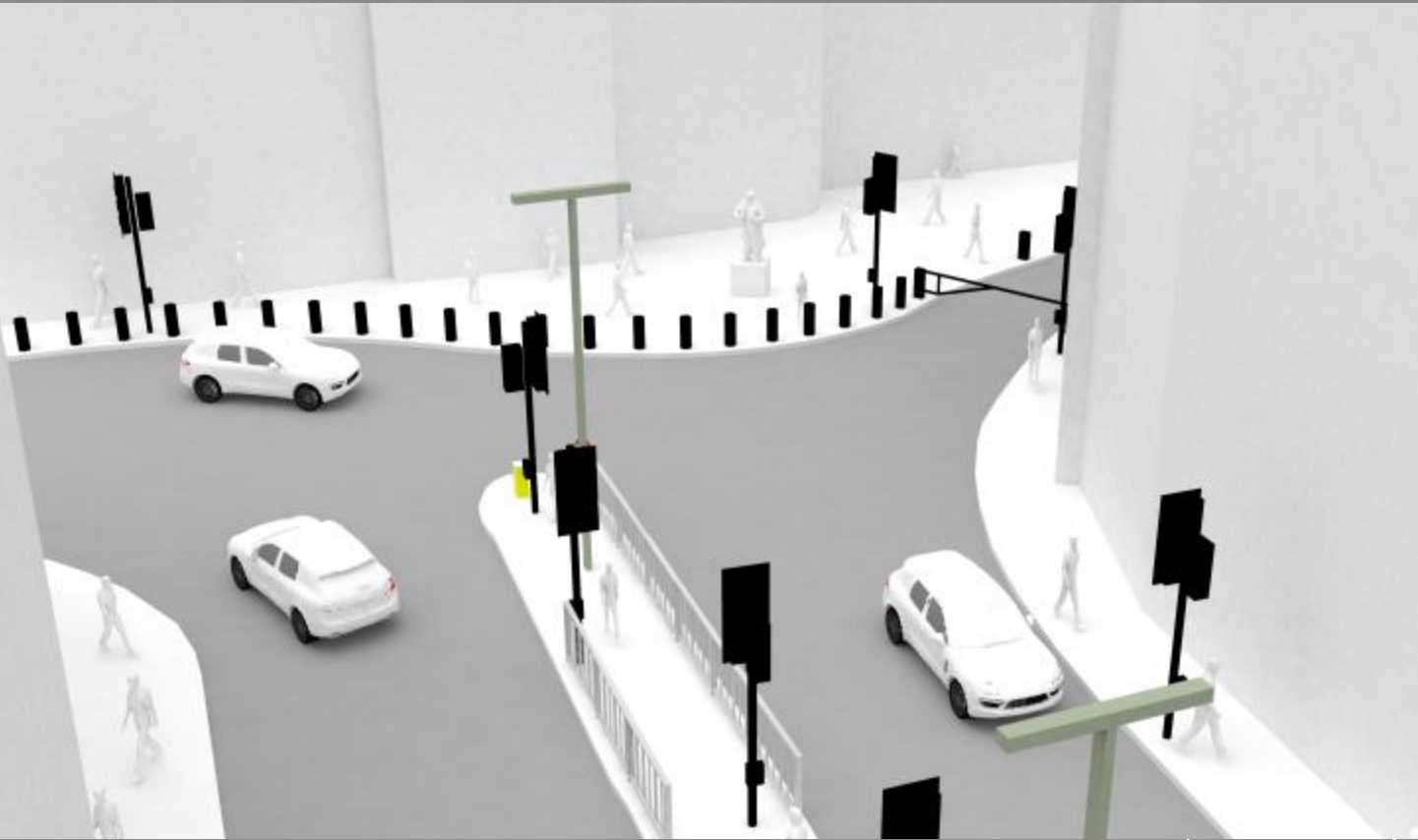
Guildford High Street east



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Appendix 3

Guildford High Street east – option 1









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Appendix 3

Guildford High Street east - option 1

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