

**Joint Executive Advisory Board**

**23 November 2017**

**Late Sheet**

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Following publication of the agenda papers, the Outline Budget report has been updated for the version that will be presented to the Executive on 28 November 2017. The amendments are as follows:-

Executive Summary, paragraph 6.3 & paragraph 11.4 - The draft Council Tax base is 57,099, which is 0.82% higher than 2017-18. This has increased the resources available by approximately £77,500.

Executive Summary - the outline budget (prior to growth, savings and additional income bids being taken into account) shows there is a shortfall (gap) of **£1.9 million** between the likely resources and the proposed net expenditure. If the Executive approve the growth, savings and additional income bids shown at Appendix 4, the shortfall (gap) will reduce to around **£1.47 million**

Paragraph 7.2 - It is currently estimated that the CFR at 31 March 2018 will be £93.8 million and the MRP for 2018-19 will be £1.6 million.

Paragraph 8.1 – the figures in the table remain the same

Paragraph 8.3 - In the current year's budget, we anticipated net interest earnings to be approximately £38,156. The estimate for net interest included in the outline budget for 2018-19 is £0. Interest payable to the Housing Revenue Account (HRA) is estimated at £1,276,800 reflecting higher balances and investment returns. The Bank of England raised the base rate to 0.50% in November 2017, is not expected to rise until 2020. We will continue to keep under review the timing of possible base rate changes as the estimates process proceeds.

Paragraph 8.12 – Burpham's neighbourhood plan did not allocate any sites for housing so they will not be entitled to a share of the new homes bonus.

Paragraph 11.7 - The estimated directorate level expenditure excluding depreciation charges for 2018-19 (excluding net growth) is £13.52 million, which is £664,600 more than the 2017-18 directorate level expenditure estimate of £12.85 million. The 2018-19 directorate total includes the anticipated revenue costs of The Village as set out in the recommendation to Item 6 of this agenda. The major variances are given below.

- Reduction in income from services at the crematorium as a result of the capital project to rebuild during 2018-19, the loss of income is being funded from the Budget Pressures reserve as approved by Council in February 2017
- Increase in fees for the local plan inspection during 2018-19 which will be met from the local plan reserve
- A rollover of £300,000 transformation savings target where proposals for savings have been identified by the business improvement team but not yet actioned by services.

Paragraph 11.10 - When the 2017-18 budget book was published, we projected a budget for 2018-19 that required a saving of around £6 million to be within the estimated resources available. The major movements that have contributed to us now being in a better position are:

- reduction in the anticipated directorate budgets, £187,000
- reduction in the net interest payable - £1.4 million
- changes in the proposed use of reserves - £3.46 million

Paragraph 11.11 - Several large capital projects originally planned for 2017-18 have not started as anticipated when the 2017-18 budget was agreed and this has resulted in the large reduction in external interest payable listed above. These include:

- North Street development
- Guildford Park car park
- Spectrum Roof
- Bedford Wharf site acquisition
- Crematorium rebuild project
- Guildford Museum
- Westfield Road / Moorfield Road resurfacing
- Acquisition of a burial ground site
- Redevelopment of Midleton industrial estate
- Various transport schemes in the town centre

Paragraph 11.18 - Once the proposed growth, savings and income are taken into account the current position on the outline budget (see **Appendix 2**) is as follows:

	<b>£'000</b>
<b>Net position on the general fund before growth, savings and income bids</b>	<b>1,924</b>
Growth Bids	1,343
20% non-achievement allowance for growth bids	(49)
Savings Bids	(798)
Net one-off use of reserves	(944)
<b>Net position on the general fund after growth, savings and income bids</b>	<b>1,476</b>

Growth Bid 151 – Guildford West (Park Barn) Station

Page 144 – Any references to the UTC (University Technical College) in the bid should be disregarded. The UTC project for Guildford has now been shelved.