

EXECUTIVE

TUESDAY, 24TH NOVEMBER, 2020

SUPPLEMENTARY INFORMATION SHEET

Agenda No Item

13. **Supplementary Information Sheet (Pages 1 - 8)**

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EXECUTIVE

24 NOVEMBER 2020

SUPPLEMENTARY INFORMATION

Procedure for the discharge of business at this meeting

The Leader of the Council, as chairman of the Executive, welcomes the attendance of members of the public and non-Executive councillors at this meeting of the Executive.

The procedure for dealing with each item of business shall be as follows:

1. Lead Councillor to introduce report on the matter
2. Non-Executive councillors invited to ask a question or comment, for which they will have a maximum of **five** minutes each
3. Lead councillor to respond to comments and questions
4. Executive debates the matter
5. Chairman to invite Executive to make decision on the matter

AGENDA ITEM 5: WEYSIDE URBAN VILLAGE PROGRAMME - FINANCIAL GATEWAY REVIEW (Pages 9 - 20)

Lead Councillor: Councillor John Rigg, Lead Councillor for Regeneration

Lead Officer: Michael Lee-Dixon, Regeneration Lead

AGENDA ITEM 6: OFF-STREET PARKING BUSINESS PLAN 2021-22 (Pages 21 - 66)

Lead Councillor: Councillor James Steel, Lead Councillor for Environment

Lead Officer: Andy Harkin, Parking Manager

Joint Executive Advisory Board Comments:

- 1) Recommendation 3 of the parking proposals concerning shopper car park charges is strongly supported.
- 2) Cash car park payments be continued for the present and kept under review as part of ongoing developments in this area.
- 3) The Waste, Parking and Fleet Services Manager and his Parking Services team are thanked and congratulated for their rapid response to difficult circumstances under the Coronavirus lockdown and beyond in supporting essential shop workers, businesses, the NHS and police.

AGENDA ITEM 7: SPEND UPDATE ON CONSULTANTS AND AGENCY STAFF (Pages 67 - 74)

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Faye Gould, Procurement Manager

Amended Recommendation:

- (1) To note the key findings in the report

(2) To implement the options in section 6 of the report.

**AGENDA ITEM 8: LOCAL COUNCIL TAX SUPPORT SCHEME 2021-22
(Pages 75 - 112)**

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Belinda Hayden, Exchequer Services Manager

**AGENDA ITEM 9: CONCURRENT FUNCTIONS GRANT AID – APPLICATIONS FOR
ASSISTANCE 2021-22
(Pages 113 - 126)**

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Claire Morris, Director of Resources

**AGENDA ITEM 10: SELECTION OF THE MAYOR AND THE DEPUTY MAYOR 2021-22
(Pages 127 - 130)**

Lead Councillor: Councillor Joss Bigmore, Leader of the Council
& Lead Councillor for Service Delivery

Lead Officer: John Armstrong, Democratic Services & Elections Manager

Update:

To note that no further nominations have been received.

**AGENDA ITEM 11: TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS 2021-22
(Pages 131 - 134)**

Lead Councillor: Councillor Joss Bigmore, Leader of the Council
& Lead Councillor for Service Delivery

Lead Officer: John Armstrong, Democratic Services & Elections Manager

Update:

To note that at its meeting held on 19 November 2020, the Corporate Governance and Standards Committee agreed to hold an additional meeting on 22 April 2021. It was also suggested that, on the basis that much of the business in the Committee's work programme each year tends to be front-loaded in the first six months of the calendar year, in order to meet key deadlines, an additional meeting be programmed in April each year to help spread the business more manageably. This will be reflected in the report to Council.

**AGENDA ITEM 12: GENERAL FUND OUTLINE BUDGET 2021-22 AND BUSINESS
PLANNING 2021-22 TO 2024-25 (Pages 135 - 160)**

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Claire Morris, Director of Resources

Update:

To note the following amendments to the report:

Executive Summary

The draft Council Tax base is 57,159.40, which is 0.84% lower than 2020-21. This has reduced the resources available by approximately £85,000.

The current position on the 2021-22 outline budget shows a shortfall between the likely resources and the proposed net expenditure of £2.0million. In addition, the draft projection for 2021-22 to 2024-25 shows a medium-term budget shortfall (gap) of £4.38 million.

The financial monitoring report for the first six months of 2020-21 will be reported to the Corporate Governance and Standards Committee on 26 November 2020. The projected net expenditure on the General Fund for the current financial year is estimated to be £6.8 million more than the original estimate.

Officers anticipate that at the end of March 2021, the Council will need to draw down around £7 million of reserves and that this will require the Council to plan to replenish some of its reserves in the medium-term over the three years to 2024-25.

Paragraph 4.1

It is recommended for planning purposes that an assumption of 0.0% pay allowance is applied for 2021-22 allowing only for increases in incremental pay grades (which is estimated to be equivalent to 1% pay)

Paragraph 6.2

Officers have set the council tax base for 2021-22 at 57,159.40. This is 0.84% lower than the 2020-21 figure. The final Council Tax Base will be confirmed by the end of November when the Director of Resources sets the Council tax base. The reduction will reduce the available resources by approximately £85,000.

Paragraph 8.2

It is currently estimated that the CFR at 31 March 2021 will be £163.7 million and the MRP for 2021-22 will be £2.41 million. This figure is included in the outline budget.

Paragraph 9.5

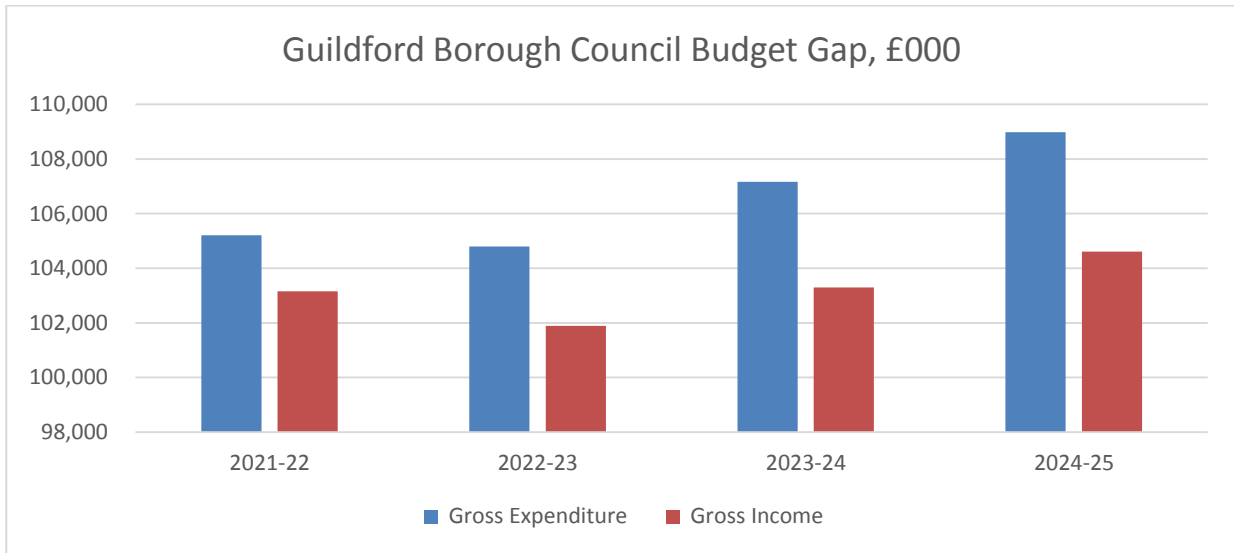
In the 2020-21 budget, we anticipated a net interest receipt of £1.173million. The estimate for net interest in the outline budget for 2021-22 is interest receivable of £200,000. Interest payable to the Housing Revenue Account (HRA) is estimated at £481,700 reflecting the level of balances and investment returns consistent with the application of a risk-free rate of return. The Bank of England base rate is currently 0.75%. The average cost of external borrowing has been budgeted at 2%.

Paragraph 10.1

The projected net expenditure on the General Fund for the current financial year is estimated to be £6.8 million more than the original estimate

Paragraph 12.1

The projections for the budget for 2022-23 to 2024-25 based on the assumptions set out in this report is that there will be a cumulative budget deficit of £4.38 million by 2024-25. The budget gap (i.e., the difference between the expenditure and income of the Council) is shown in the chart below and the amended Appendix 1 (attached as Appendix 1 to this Supplementary Information Sheet) shows further detail.



Year	GBC Budget, £000			
	2021-22	2022-23	2023-24	2024-25
Gross Expenditure	105,203	104,797	107,159	108,984
Gross Income	103,159	101,887	103,301	104,604
Budget Gap (difference between Expenditure and Income)	2,044	2,909	3,858	4,380

Paragraph 14.1 – Joint EAB Comments

A report to the Executive in respect of the General Fund Outline Budget 2021-22 and Business Planning 2021-22 to 2024-25 was considered by the Joint EAB on 11 November 2020. Having received a presentation from the Resources Director, supplemented by comments and explanations from the Leader of the Council and the Lead Councillor for Resources, the Joint EAB noted the current 2021-22 outline budget position, indicated its support for the five recommendations in the report to the Executive and made the following points:

- Notwithstanding the outcome of the public consultation exercise associated with the outline budget, services provided to the most vulnerable residents should be protected.
- There may be merit in exploring the work undertaken by an Older People’s Services task group established by Surrey County Council to inform service needs and provision in this area.
- Whilst the Joint EAB was not equipped to discuss or consider suggested budget reductions in any detail or advise on the extent and prioritisation of savings due to a lack of supporting information, it was aware where possible and likely inevitable reductions would fall.
- Owing to uncertainty, it was not currently possible for the Joint EAB to form a view in respect of budget and business planning scenarios associated with the possibility of the Council forming part of a new unitary authority in the future.

Appendix 3 – Savings Strategy (the changes repeat information already available in the public part of the report)

As set out in the Outline Budget report, Officers estimate that the general fund budget gap over the period 2021-22 to 2024-25 is likely to be around **£4.38 million**.

The scale of the shortfall between income and expenditure is significant. In order to deliver further savings of around £4.38 million against the net service budget (before reserves transfers)

of £13.3 million means that savings equivalent to around 33% (just under one third) of the Council's budget need to be found.

Consideration of the Savings Strategy (Appendix 3)

If councillors wish to consider the contents of the Savings Strategy set out in the "Not for Publication" Appendix 3, the Executive will be invited to consider passing the following resolution:

"That under Section 100A (4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for consideration of the contents of Appendix 3 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 1972 Act."

If the above resolution is carried, councillors will be asked to leave the "open" MS Teams meeting and join the private "closed" session using the link circulated to all councillors yesterday.

Following consideration of the Savings Strategy in closed session, councillors will leave that MS Teams meeting and re-join the "open" MS Teams meeting, at which point the Executive will make its decision in public.

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Draft Actual 2019-20 £	GENERAL FUND SUMMARY	Estimate 2020-21 £	Projection 2021-22 £	Projection 2022-23 £	Projection 2023-24 £	Projection 2024-25 £
	Directorates - Net Expenditure					
3,850,231	Community Services	-314,990	-791,000	-890,000	-896,000	-931,840
0	Corporate Services	0	0	0	0	0
0	Development	0	0	0	0	0
17,680,547	Planning and Regeneration	3,142,170	3,518,000	3,525,000	3,583,000	3,726,320
12,557,225	Environment	11,556,920	11,788,000	11,581,000	11,390,000	11,845,600
3,579,422	Managing Director	783,410	-560,000	-555,000	-549,000	-570,960
0	Resources	0	0	0	0	0
6,221,257	Finance	11,820,880	6,364,000	6,395,000	8,404,000	8,740,160
43,888,682	Total Directorate Level	26,988,390	20,319,000	20,056,000	21,932,000	22,809,280
	<i>Provisional Growth bids not yet included in Directorate budgets</i>	964,000	3,010,772	2,190,206	1,745,186	2,221,634
	<i>Provisional savings not yet removed from Directorate budgets</i>	-2,471,425	-4,970,100	-5,353,350	-5,864,250	-6,457,000
	<i>Potential increase in Pension contributions following valuation</i>		0	0	0	0
	<i>Prepayment of Secondary pension Fund contributions</i>					
-26,601,575	Depreciation (contra to directorate budgets)	-8,813,830	-8,791,000	-8,791,000	-8,791,000	-8,791,000
17,287,107	Directorate level excluding depreciation	16,667,135	9,568,672	8,101,856	9,021,936	9,782,914
-1,180,245	External interest (receivable)/payable (net)	-1,172,935	-200,000	1,137,620	1,897,320	1,897,320
356,027	Interest payable to Housing Revenue Account	531,550	481,700	450,450	450,450	450,450
926,640	Minimum Revenue Provision	1,639,171	2,410,000	2,998,300	4,345,000	4,345,000
-30,417	Revenue income from sale of assets	0	0	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)					
893,630	Met from: Capital Schemes reserve	0	0	0	0	0
2,299,990	Other reserves	537,000	537,000	537,000	537,000	537,000
0	General Fund	0	0	0	0	0
20,552,732	Total before transfers to and from reserves	18,201,921	12,797,372	13,225,226	16,251,706	17,012,684
	Transfers to and from reserves					
	Capital Schemes reserve					
-893,630	Funding of Revenue Contribution to Capital Outlay Contribution in year	0	0	0	0	0
	Budget Pressures Reserve	0	0	0	0	0
-2,103,206	Business Rates Equalisation reserve	-946,454	4,692,459	1,978,473	-593	851
-469,494	Car Park Maintenance reserve	272,950	63,000	168,000	225,000	283,000
-124,268	Election Costs reserve	62,500	63,000	63,000	63,000	63,000
-15,177	Insurance reserve	0	0	0	0	0
-538,252	IT Renewals reserve	542,710	543,000	543,000	543,000	543,000
-1,721,421	Invest to Save reserve	-10,000	0	250,000	250,000	250,000
31,563	Energy Management reserve	0	0	0	0	0
-36,904	New Homes Bonus reserve	351,019	-155,000	-125,000	0	0
109,467	On Street Parking reserve	-260,070	-260,000	-260,000	-260,000	-260,000
-5,495,884	Pensions Reserve (Statutory)	0	0	0	0	0
-150,000	Recycling Reserve	0	0	0	0	0
185,140	Spectrum reserve	188,843	193,000	196,000	200,000	204,000
-206,110	Carry Forward Items	0	0	0	0	1
3,234,252	Other reserves	-477,090	112,000	115,000	118,000	118,000
12,184,539	Total after transfers to and from reserves	17,926,329	18,048,831	16,153,699	17,390,113	18,214,536
	Business Rates Retention Scheme payments					
31,332,993	Business Rates tariff payment	33,119,290	32,482,000	30,892,000	31,488,000	32,142,000
1,383,117	Business Rates - levy / (safety net) payment to/ (From) MHCLG	810,933	-246,000	0	0	0
	Non specific government grants					
-2,401,199	s31 grant re BRR scheme	-1,959,000	-1,714,300	0	0	0
-24,170	s31 grant re Council Tax	0	0	0	0	0
0	Reduction to SFA following fair funding review	0	0	441,460	588,641	735,760
-25,587	Other government grant	0	0	0	0	0
-1,039,201	New Homes Bonus grant	-851,019	0	0	0	0
41,410,492	GUILDFORD BOROUGH COUNCIL NET BUDGET	49,046,533	48,570,531	47,487,159	49,466,754	51,092,296
1,740,697	Parish Council Precepts	1,876,544				
43,151,189	TOTAL NET BUDGET	50,923,077	48,570,531	47,487,159	49,466,754	51,092,296
-34,941,330	Business Rates - retained income	-34,713,245	-36,223,000	-33,938,000	-34,592,000	-35,312,000
0	Revenue support grant	0	0	0	0	0
1,493,170	Collection Fund (surplus)/deficit - Business Rates	-4,140,430	0	0	0	0
85,997	Collection Fund (surplus)/deficit - Council Tax	0	0	0	0	0
9,789,026	COUNCIL TAX REQUIREMENT	12,069,402	12,347,531	13,549,159	14,874,754	15,780,296
	Projected (under)/over spend @					
8,048,329	Council tax requirement excluding Parish Precepts	10,192,858	12,347,531	13,549,159	14,874,754	15,780,296
	Tax base	57,645.39	57,159.40	57,902.44	58,812.32	59,706.72
	Band D Tax (Borough Only)	176.82	216.02	234.00	252.92	264.30
	% Increase	2.91%	22.17%	8.32%	8.09%	4.50%
	Band D Tax (incl Parishes)	209.37	216.02	234.00	252.92	264.30
	Target increase per annum	1.90%	1.94%	1.94%	1.94%	1.94%
	Council tax @ target increase	176.82	180.25	183.75	187.31	190.95
	Borough Council demand for target tax rise	10,192,858	10,303,000	10,639,410	11,016,240	11,400,740
	Current demand	10,192,858	12,347,531	13,549,159	14,874,754	15,780,296
	Cumulative Budget Gap	-0	2,045,000	2,910,000	3,859,000	4,380,000
	In year budget gap	-0	2,045,000	865,000	949,000	521,000

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