



www.guildford.gov.uk

Contact: Andrea Carr
Committee Services
01483 444058

13 November 2018

Dear Councillor

Your attendance is requested at a meeting of the **JOINT EXECUTIVE ADVISORY BOARD** to be held in Council Chamber, Millmead House, Millmead, Guildford, Surrey, GU2 4BB on **WEDNESDAY 21 NOVEMBER 2018 at 7.00 pm.**

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE EXECUTIVE ADVISORY BOARD

Councillor Adrian Chandler
Councillor Alexandra Chesterfield
Councillor Nils Christiansen
Councillor David Elms
Councillor Andrew Gomm
Councillor Angela Goodwin
Councillor Murray Grubb Jnr
Councillor Angela Gunning
Councillor Christian Holliday
Councillor Mike Hurdle
Councillor Jennifer Jordan
Councillor Nigel Kearse

Councillor Sheila Kirkland
Councillor Julia McShane
Councillor Bob McShee
Councillor Dennis Paul
Councillor Tony Phillips
Councillor Mike Piper
Councillor David Quelch
Councillor Tony Rooth
Councillor Matthew Sarti
Councillor Pauline Searle
Councillor Jenny Wicks

+ one Conservative member (to be confirmed)

Authorised Substitute Members:

Councillor Colin Cross
Councillor David Goodwin
Councillor Gillian Harwood
Councillor Liz Hogger

Councillor Liz Hooper
Councillor Susan Parker
Councillor Caroline Reeves
Councillor James Walsh



WEBCASTING NOTICE

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

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

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.

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 Joint Executive Advisory Board meeting held on 23 April 2018.

5 **BUSINESS PLANNING - GENERAL FUND OUTLINE BUDGET 2019-20**
(Pages 5 - 28)

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

23 APRIL 2018

JOINT EXECUTIVE ADVISORY BOARD

23 April 2018

- * Councillor Adrian Chandler (Chairman)
- * Councillor Jenny Wicks (Vice-Chairman)

- | | |
|---------------------------------|------------------------------|
| * Councillor Nils Christiansen | * Councillor Bob McShee |
| * Councillor Andrew Gomm | * Councillor Mike Parsons |
| * Councillor Angela Goodwin | Councillor Dennis Paul |
| * Councillor Angela Gunning | * Councillor Tony Phillips |
| * Councillor Liz Hogger | * Councillor Mike Piper |
| * Councillor Christian Holliday | * Councillor David Quelch |
| * Councillor Gordon Jackson | * Councillor David Reeve |
| * Councillor Jennifer Jordan | * Councillor Caroline Reeves |
| * Councillor Nigel Kearse | * Councillor Matthew Sarti |
| * Councillor Sheila Kirkland | * Councillor Pauline Searle |
| Councillor Julia McShane | Councillor David Wright |

*Present

Councillor Matt Furniss was also in attendance.

13 ELECTION OF CHAIRMAN

The Joint Executive Advisory Board

RESOLVED

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

14 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Julia McShane and Paul Spooner. In accordance with Council Procedure Rule 23(i), Councillor Caroline Reeves acted as substitute for Councillor Julia McShane.

15 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of disclosable pecuniary interest.

16 MINUTES

The minutes of the meeting of the Joint Executive Advisory Board held on 8 January 2018 were agreed as a correct record, and signed by the Chairman.

17 NEW CORPORATE PLAN

Councillor Matt Furniss introduced the draft new Corporate Plan by advising that the Council had invited the Local Government Association (LGA) to undertake a corporate peer challenge of the Council in December 2017. The final report on the outcome of this review was very positive and was well received by the Executive and Management Team. A number of useful recommendations were also made in respect of suggested improvements, with one key area for consideration being prioritisation within the Corporate Plan.

23 APRIL 2018

Since the peer challenge, the Council had undertaken consultation with residents, partners and other interested parties to assist with informing its future priorities. The Council had also held workshops for Councillors and senior officers to help shape the content of the new Corporate Plan. Following this consultation and a review of existing activities and future challenges, the new Corporate Plan had been prepared for adoption by the Council.

The Corporate Plan set out the Council's strategic framework and priorities for the next five years. The priorities and associated projects were fundamental to ensuring that the Council managed its business and resources effectively. They would also ensure that Council activities continued to be aligned to the issues that mattered most to local people. The Corporate Plan had been streamlined to focus on the three strategic themes of Place-making, Community and Innovation and referred to the Council's recent key achievements. The Board was invited to comment on the draft Corporate Plan before its consideration by the Executive.

Arising from consideration of the Corporate Plan and in response to related questions, the following points and suggested amendments to the draft Plan were made:

- In addition to work with Network Rail to progress the planning and delivery of new stations at Guildford West (Park Barn) and Guildford East (Merrow), further work on the redevelopment of Guildford Railway Station, including a capacity study, was being undertaken with Network Rail.
- Discussions would be held with Guildford City Football Club concerning its proposed improvements and the Board's expressed view that the new football pitch should be constructed to Football Association standards would be passed on.
- Guildford had strong innovative core clusters which included electronic gaming and related technologies which were extending into other areas such as three dimensional (3D) architecture. It was suggested that the term 'gamification' and the word 'communications' be added to the Innovation section of the Plan together with the wording 'and other new technologies' following the reference to projects exploiting the opportunities provided by 5G.
- The paragraph concerning the encouragement of local entrepreneurs through incubators and accelerators should be expanded to include business networks, workshops and other support.
- The redevelopment of North Street was advancing and action would soon become evident.
- Reference should be made in the Plan to protecting the character of the Borough's villages and assisting the rural economy.
- Reducing the number of priorities, possibly by marrying together aspirational and practical elements of the Plan, would sharpen its focus.
- Review of Action Plan target dates was sought to ensure greater precision in the timings.
- This was the first occasion when the Council had undertaken consultation in respect of the Corporate Plan. The Council's consultants had designed the survey which had been undertaken in a time limited fashion. Consideration could be given to the nature of survey questions if the exercise was repeated in the future. The survey results indicated that respondents attached most importance to transport and housing in the Borough. The break down of survey respondents by age group reflected the Borough's mature age profile of 30 per cent of the population being over 65 years of age.
- The word 'including' should be added to the Community section before the reference to Project Aspire to reflect that there were other initiatives which delivered health and wellbeing improvements for less advantaged residents. The Lead Councillor for Project Aspire, Health, Safeguarding and Sport would be able to elaborate.

23 APRIL 2018

- Development briefs, which were sought in respect of all Local Plan sites in addition to Bedford Wharf, were being prepared to control development as part of the Local Plan.
- Further reference to education should be made in the Plan to reflect the strength of the education sector locally and its ties with the economy. Respondents were asked if they were studying in the Borough.
- The inclusion of further reference to Areas of Outstanding Natural Beauty was requested.
- Although the Plan was commended for being more concise and legible than its predecessor, it was suggested that the use of bolder colouring and text for headings would improve its clarity. Priority headings required revisiting to ensure that they sat in the correct section of the Plan and the photographs required updating and reviewing to reflect greater diversity. Inclusion of an issue date on the front cover of the Plan would avoid confusion.
- Review of wording was sought to give greater emphasis to protecting all aspects of the environment, including the Council's leadership role (e.g. reducing single use plastic and promoting and using electric vehicles).
- The use of clearer English was suggested to replace the terms "Fundamental Service Reviews" and "New website to improve transactional capability and increase channel shift" and to clarify the meaning of acronyms such as BME (black and minority ethnic) and EM3 (Enterprise M3 local enterprise partnership).
- Wording of a strategic priority should be amended to indicate that the Council was creating smart places infrastructure across Guildford.
- The Place-making section should include reference to accessibility in connection with providing a range of housing, public transport, community and other facilities for all ages, lifestyles and cultures.
- Owing to delays associated with flood and land ownership issues, the accuracy of the target date of 2019 for the new Walnut Bridge should be checked.
- It would be helpful for the savings and additional income figures in the 'Our recent achievements' section to be shown as two separate achievements.
- The sub-title in the Our Performance section would be clearer in meaning if worded as 'Values for our staff'.
- The figure of "At least 35% of new housing will be affordable homes" quoted in the Place-making section should be checked for consistency with the Local Plan.
- Protecting the environment by maintaining and improving air quality by implementing the Borough's Air Quality Strategy 2017 was important.
- Consideration should be given to including within the Plan wording from the LGA peer challenge on using the Council's assets and financial position to support its strategic priorities. Planning for staff development in addition to strengthening systems such as project management would be beneficial.
- The Council would implement the Rural Strategy to support the delivery of rural initiatives to address issues of rural deprivation, including skills and enterprise, crime reduction, and environmental, cultural and leisure projects. This could include extending playground provision.
- The inclusion of an action referring to the provision of a new burial ground should be considered.

The Board's comments in respect of the Plan would be reported to the Executive for its consideration prior to recommending the Plan to the Council for adoption.

This page is intentionally left blank

Executive Report

Wards affected: All

Report of Chief Financial Officer

Author: Claire Morris

Tel: 01483 444827

Email: claire.morris@guildford.gov.uk

Lead Councillor responsible: Nigel Manning

Tel: 01252 665999

Email: nigel.manning@guildford.gov.uk

Date: 27 November 2018

Business planning – General Fund outline budget 2019-20

Executive Summary

This report outlines the current position on the 2019-20 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 21 November. The comments of the JEABTG are included at section 12 [following meeting]. The comments of JEAB will be circulated as an addendum to this report, as it meets after this agenda is published.

The report explains that we have included government grant at a level based on the 4-year local government finance settlement issued by Government in February 2016 but that we will not know the amount of our grant for certain until central government releases the draft local government finance settlement which the Ministry of Housing, Communities and Local Government (MHCLG) has provisionally indicated will be 6 December 2018. We have assumed a £5 (3.0%) increase in Council Tax in line with the Budget Assumptions 2019-20 to 2022-23 report approved by Executive on 17 July 2018.

The draft Council Tax base is 56,795, which is 0.53% lower than 2018-19. This has reduced the resources available by approximately £52,200.

The financial monitoring report for the first six months of 2018-19 will be reported to the Corporate Governance and Standards Committee on 29 November 2018. The projected net expenditure on the General Fund for the current financial year is estimated to be £1.2 million less than the original estimate.

Section 9 covers the current position on the 2019-20 outline budget which currently shows no shortfall between the likely resources and the proposed net expenditure.

The major reasons for movements between 2018-19 and 2019-20 are set out in the report and the variances at service level are set out in **Appendix 2**. No revenue growth bids have been received for 2019-20, although 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 2019, along with a schedule of proposed fees and charges for 2019-20.

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

Recommendation to Executive:

The Executive is recommended to:

1. Note the current position on the outline budget for 2019-20
2. Recommend the proposal to use the Council's various earmarked reserves for specific projects as set out in section 8 of the report

Reason(s) for Recommendation:

To assist the Executive in the preparation of the General Fund estimates for 2019-20.

1. Purpose of report

- 1.1 This report outlines the current position on the 2019-20 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 Business Rates reserve and other earmarked reserves. The working assumption is that we will not form part of a business rates pilot in 2019-20.

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:
 - Council Tax, tax base and collection fund
 - capital expenditure and minimum revenue provision
 - use of reserves and interest earnings
 - draft outline budget for 2019-20

4. Outline budget parameters

- 4.1 The outline budget has been prepared on the factors approved by the Executive at its meeting on 17 July 2018.

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

- 5.1 In July 2018 Executive considered the projections for RSG and BRRS for 2019-20. These assessments have not been updated in this report. The Ministry of Communities and Local Government (MHCLG) has provisionally indicated that the draft Local Government Finance Settlement (LGFS) will be announced on the 6 December 2018, therefore a further update on government funding will be provided to Executive in January 2019 as part of the final budget report.

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 £166.82 to £171.82. The increase will generate approximately £285,500 based on the 2018-19 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 2019-20 and we expect that the government will continue to set the same council tax referendum limit for 2020-21.
- 6.3 The Director of Finance, in consultation with the Lead Councillor for Finance and Asset Management, has agreed the council tax base for 2019-20 at 56,795. This is 0.53% lower than the 2018-19 figure and has reduced the available resources by approximately £52,200.
- 6.4 Any surplus or deficit on the Collection Fund in the current financial year (2018-19) feeds into the 2019-20 budget. The figures presented assume a small deficit [this will be updated in time for Executive in January 2019]
- 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. Capital expenditure and minimum revenue provision

- 7.1 The Council has a single capital programme for the General Fund that we finance from the Capital Schemes reserve, capital receipts and revenue contributions towards specific schemes. Unless we generate significant capital receipts, the Council needs to borrow from either its own resources (earmarked for other uses) or from the market; at the current time borrowing is internal as it is more financially advantageous.
- 7.2 Because the capital programme shows an underlying need to borrow, represented at the year-end by the capital-financing requirement (CFR), there is

a requirement to make a debt charge to the revenue account called the minimum revenue provision (MRP). This charge is based on the value and life of the assets funded by borrowing (internal or external). The minimum revenue provision for 2018-19 will be £795,190, which is based on a General Fund CFR at 31 March 2018 of £74.4 million. It is currently estimated that the CFR at 31 March 2019 will be £118.5 million and the MRP for 2019-20 will be £1.01 million. This figure is included in the outline budget.

- 7.3 Officers are currently preparing an updated capital programme for Councillors to consider early in 2019. The level of capital programme that Councillors wish to support will determine the level of capital receipts used, interest earnings and MRP for 2019-20.

8. Use of Reserves and interest earnings

- 8.1 An important element of the Council's budget is the income it receives from investment of the cash held in reserves. The balances held at the end of the 2017-18 and the projected balances at the end of 2018-19 financial years are shown below:

Reserve	Actual 2017-18 Balance £ million	Projected 2018-19 Balance £ million
General Fund Reserves	3.7	3.7
Housing Revenue Account (HRA) Reserve	2.5	2.5
Earmarked GF Reserves	42.0	38.6
Earmarked HRA Reserves (incl MRR)	83.7	80.4
Useable Capital Receipts Reserve (General)	0	0
Useable Capital Receipts Reserve (housing related)	24.1	15.7
Total Useable Reserves	156.0	140.9

- 8.2 HRA reserves are considered as part of the HRA budget. The general fund earmarked revenue reserves includes £15.7million 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 £5.4million at 31st March 2019. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore £17.5million.

- 8.3 In the 2018-19 budget, we anticipated a net interest charge of £126,794. The estimate for net interest receipt included in the outline budget for 2019-20 is £279,095. Interest payable to the Housing Revenue Account (HRA) is estimated at £598,260 reflecting the level of balances and investment returns consistent with the application of a risk free rate of return. The Bank of England raised the base rate to 0.75% in August 2018. We will continue to keep under review the timing of possible base rate changes as the estimates process proceeds.

Proposed Use of Key Earmarked Reserves

Business Rates Reserve

- 8.4 As part of the 2018-19 budget it was agreed to fund the rural economy officer and the transport strategy project manager, a jointly funded post with SCC from this reserve. Officers do not propose any further use of this reserve as part of this report.

The Budget Pressures Reserve

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. In 2017-18 Council approved the use of this reserve to offset the potential loss of income during the crematorium rebuild project of £846,000 in 2018-19 and £200,000 in 2019-20 [subject of ongoing verification as a result of adjusted scheme timeline]. Officers recommend that any revenue costs associated with the Future Guildford transformation programme, for which a capital bid has been submitted, will be funded from either the budget pressures and/or invest to save reserve.

New Homes Bonus Reserve

- 8.5 The Council adopted a new homes bonus policy in February 2016. The policy assumes that the first £1 million of NHB grant continues to support the general fund revenue budget. Officers do not propose any further use of this reserve as part of this report.

Invest to Save Reserve

- 8.6 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. The budget includes a transfer to reserve of £150,000 to support future service transformation and it is proposed to continue to fund a strategic property acquisition surveyor from this reserve in 2019-20. Officers

recommend that any revenue costs associated with the Future Guildford transformation programme, for which a capital bid has been submitted, will be funded from either the budget pressures and/or invest to save reserve.

The Car Parks Maintenance Reserve

- 8.7 The balance on the car parks maintenance reserve at 31st March 2018 was £4.6 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 £176,000 in 2019-20 [detail of works to follow]

IT Renewals

- 8.8 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.

9. 2019-20 outline budget – current position

- 9.1 Although it is still very early in the estimates process (the Council does not set its 2019-20 budget and Council Tax until 6 February 2019), officers are confident that we can set a balanced budget which supports significant investment in services financed from efficiency savings, additional income generation and use of reserves.
- 9.2 Officers are currently considering the implications of a twelve week Surrey Council County public consultation on budget priorities, the timings of which may require us to utilise the reserve Budget Council date of 26 February 2019.
- 9.3 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.
- 9.4 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 equal to 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.
- 9.5 The figure above includes the effect of the decrease in council tax base, which has reduced available resources by approximately £52,200.
- 9.6 At present, the figures assume a modest deficit on the collection fund as referenced in paragraph 6.5.
- 9.7 We have included income from the Business Rates Retention Scheme (BRRS) and Revenue Support Grant (RSG) at the level stated in the multi-year settlement.

Major changes from 2018-19

- 9.8 The estimated directorate level expenditure excluding depreciation charges for 2019-20 is £13.57 million, which is £701,100 less than the 2018-19 directorate level expenditure estimate of £14.27 million. The major variances are set out in **Appendix 2**.

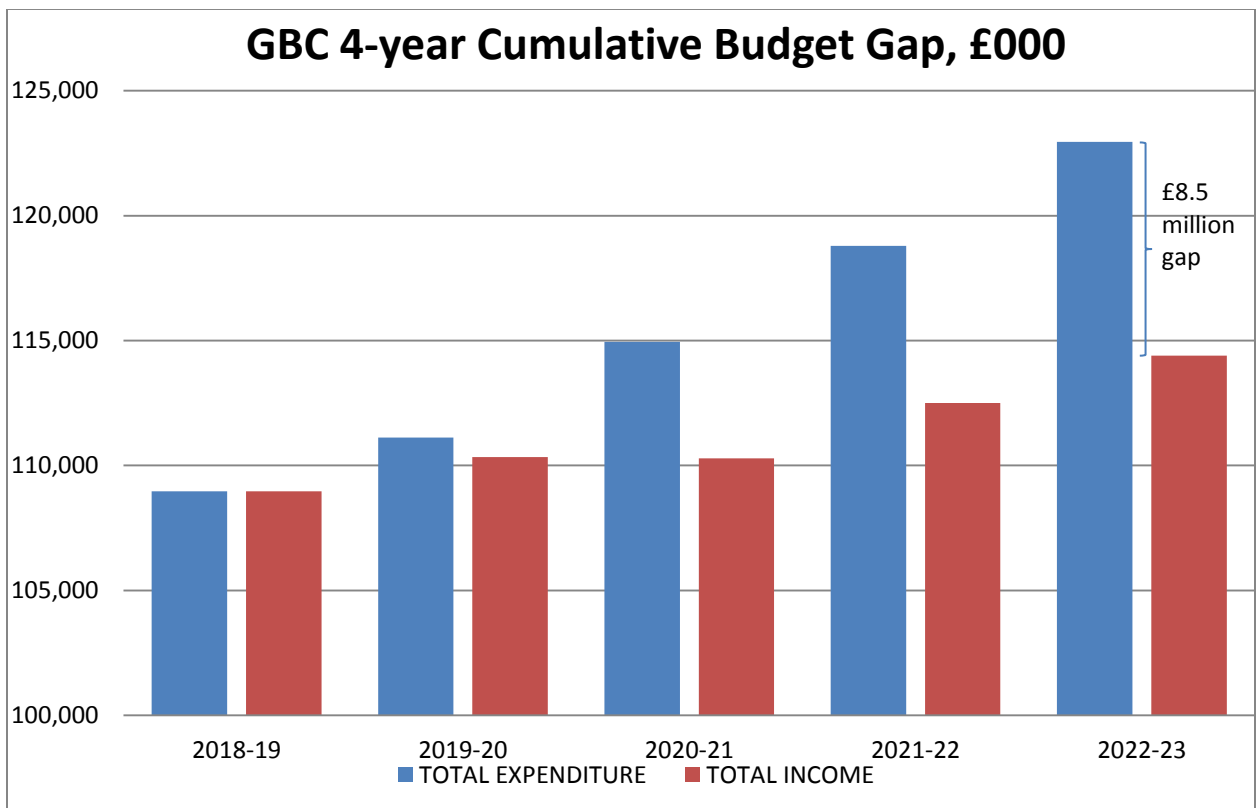
Major changes from 2019-20 projection included in the 2018-19 budget book

9.9 When the 2018-19 budget book was published, we projected a broadly similar Council tax requirement for 2019-20, with increasing budgetary pressure in 2020-21 and beyond. The 2019-20 outline budget is consistent with that overall assessment, but within it there are a number of major movements that have contributed to this overall position:

- increase in the anticipated directorate budgets - £1.95 million [this includes a working assumption around the loss of SCC grant and other support]
- increase in net interest receivable - £1.62 million
- reduction in the MRP charge - £0.81 million
- changes in the proposed use of reserves - £0.28 million

9.10 Several large capital projects originally planned for 2018-19 have not started as anticipated when the 2018-19 budget was prepared. This has resulted in an increase in cash balances contributing to a projected net interest receipt for 2019-20 of £0.87 million when we were previously projecting a net interest payable charge of £0.75 million.

9.11 The long-term projections still indicate that a saving of around £8.5 million is needed over the period to 2022-23 as highlighted in the graph below. Officers continue to work towards identifying the necessary savings over the medium term.



Growth bids

- 9.12 As in previous years, officers were invited to submit growth bids and proposals for savings and additional income. No revenue bids were received although 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 2019. Proposals for savings and additional income have been built into the budget where appropriate, whilst other opportunities for savings are currently being considered as part of the Future Guildford workstream..
- 9.13 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.
- 9.14 It is possible that service managers will submit additional bids before the budget process is finished in February 2019. Officers will update the Executive at its meeting in January 2019.
- 9.15 There is not currently a gap between estimated expenditure and income in the outline budget for 2019-20. Officers suggest the following potential actions to remove the budget gap in the event that external influences or working assumptions need to be revisited:-
- 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 the Future Guildford transformation target, which will be determined as part of the blue print business case and reported to Councillors in January/February 2019
 - d. further one-off use of reserves – this is not a sustainable action for on-going cost pressures

Fees and Charges

- 9.16 The fees and charges proposed by service managers for 2019-20 will be considered by Executive in January 2019. 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 take into account 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.

10. Comments of Joint EAB Budget Task Group and Joint Scrutiny committee

- 10.1 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 21 November.
- 10.2 The JEABTG [comments to follow]

10.3 The JEAB meet on 21 November, after this agenda is published. Its comments will be circulated as an addendum to this report.

11. Consultations

11.1 JEABTG and JEAB has been consulted about the outline budget for 2019-20 and proposed growth bids. Its comments are included in section 12.

12 Equality and diversity implications

12.1 There are no equality or diversity implications arising from this report. Where changes to services are included within the budget the service managers will carry out the relevant equality impact assessments as part of the changes.

13. Financial implications

13.1 The financial implications are considered throughout the report.

14. Legal implications

14.1 The Council is required by legislation to set a balanced budget

15. Human Resources implications

15.1 There are no immediate human resources implications because of this report. Officers will address any changes in the level of resources because of growth or savings initiatives as the changes are implemented.

16 Summary of options

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

17. Conclusion

17.1 At this early stage in the budget process we are not anticipating a gap between the projected net expenditure for 2019-20 and our estimated resources. There remains a number of externalities that may result in a budget gap developing 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 2019-20.

17.2 The medium term financial plan position remains challenging and we estimate that we will need to find savings of approximately £8.5 million over the period to 2022-23.

18. Background Papers

None

19. Appendices

Appendix 1 - General Fund summary

Appendix 2 - variances between 2018-19 estimate and 2019-20 outline budget at service level

This page is intentionally left blank

Actual 2017-18 £	GENERAL FUND SUMMARY	Estimate 2018-19 £	Probable 2018-19 £	Estimate 2019-20 £
	Directorates - Net Expenditure			
5,730,610	Community Services	6,566,430	(176,303)	(1,165,420)
3,660,491	Corporate Services	4,182,470	0	0
(64,620)	Development	0	0	0
0	Planning and Regeneration	(940,790)	7,830,161	3,390,160
10,228,910	Environment	12,541,840	13,035,870	11,917,430
(152,784)	Managing Director	(720,960)	104,986	531,090
1,683,406	Resources	0	0	0
0	Finance	4,265,080	7,405,101	7,026,410
	Future Growth / Savings bids to be allocated to services			0
21,086,013	Total Directorate Level	25,894,070	28,199,815	21,699,670
(11,858,453)	Depreciation (contra to directorate budgets)	(11,622,280)	(11,623,096)	(8,129,050)
9,227,560	Directorate level excluding depreciation	14,271,790	16,576,719	13,570,620
(1,594,679)	External interest (receivable)/payable (net)	(677,696)	(1,358,345)	(877,355)
384,198	Interest payable to Housing Revenue Account	804,490	474,278	598,260
573,852	Minimum Revenue Provision	1,200,643	795,190	1,019,158
(18,174)	Revenue income from sale of assets	0	0	0
	Revenue Contributions to Capital Outlay (RCCO)			0
1,000,000	Met from: Capital Schemes reserve	0	0	0
1,204,102	Other reserves	862,000	862,000	2,992,000
0	General Fund	0	0	0
10,776,859	Total before transfers to and from reserves	16,461,227	17,349,842	17,302,683
	Transfers to and from reserves			
	Capital Schemes reserve			
(1,000,000)	Funding of Revenue Contribution to Capital Outlay	0	0	0
120,000	Contribution in year	0	0	0
(733,838)	Budget Pressures Reserve	(975,227)	(700,398)	(200,000)
2,499,270	Business Rates Equalisation reserve	2,097,217	2,147,237	255,558
250,532	Car Park Maintenance reserve	(999,580)	(1,217,752)	(1,003,790)
32,500	Election Costs reserve	62,500	62,500	62,500
12,138	Insurance reserve	(5,630)	12,189	14,480
48,007	IT Renewals reserve	227,880	255,462	(534,290)
(285,948)	Invest to Save reserve	155,450	(32,983)	226,631
(193,496)	Local Authority Business Growth Incentive reserve	0	0	0
37,815	New Homes Bonus reserve	(269,969)	(213,969)	180,758
55,613	On Street Parking reserve	46,190	(162,791)	(1,013,070)
1,577,983	Pensions Reserve (Statutory)	0	0	0
0	Recycling Reserve	0	(300,000)	0
(65,050)	Spectrum reserve	181,510	181,510	185,140
4,065,723	Other reserves	(215,630)	(1,846,357)	(10,140)
17,198,108	Total after transfers to and from reserves	16,765,938	15,534,490	15,466,459
	Business Rates Retention Scheme payments			
29,737,627	Business Rates tariff payment into Surrey Pilot	22,269,018	22,269,018	31,310,409
0	Business Rates tariff payment to MHCLG	(475,774)	(475,774)	0
0	Business Rates - levy payment to MHCLG	0	0	1,262,391
(475,758)	Business Rates - Levy Payment to Surrey - Croydon pool	0	0	0
	Business Rates - Pilot gain from Surrey Pilot Pool	(351,982)	(351,982)	0
	Non specific government grants			0
(1,183,169)	s31 grant re BRR scheme	(1,413,309)	(1,413,309)	(2,207,436)
(20,232)	s31 grant re Council Tax	0	0	0
0	Reduction to SFA following fair funding review			
(101,789)	Transition grant / additional BRRS tariff			674,029
(20,103)	New Burdens grant			0
(2,075,466)	New Homes Bonus grant	(1,200,586)	(1,200,586)	(1,200,000)
43,059,218	GUILDFORD BOROUGH COUNCIL NET BUDGET	35,593,305	34,361,857	45,305,852
1,576,106	Parish Council Precepts	1,631,985	1,631,985	1,690,000
44,635,324	TOTAL NET BUDGET	37,225,290	35,993,842	46,995,852
(35,250,674)	Business Rates - retained income	(26,159,016)	(26,159,016)	(35,652,275)
(319,407)	Revenue support grant	0	0	0
654,015	Collection Fund (surplus)/deficit - Business Rates	52,958	52,958	60,000
(120,602)	Collection Fund (surplus)/deficit - Council Tax	38,032	38,032	45,000
9,598,656	COUNCIL TAX REQUIREMENT	11,157,264	9,925,816	11,448,577
	Projected (under)/over spend @ m6		(1,231,448)	
			8,694,368	
8,022,550	Council tax requirement excluding Parish Precepts	9,525,280		9,758,577
	Tax base	57,099.15		56,795.35
	Band D Tax (Borough Only)	166.82		171.82
	% Increase			3.00%
	Band D Tax (incl Parishes)			201.58
	Target £5 p.a.			3.00%
	Council tax @ target increase			171.82
	Borough Council demand for target tax rise (£5)			9,758,577
	Current demand			9,758,577
	Cumulative Budget Gap			0
	In year budget gap			0

This page is intentionally left blank

LEVEL 3 CC	LEVEL 4 CC	DIRECTORATE	LEVEL 6 CC	SERVICE	2018-19 ESTIMATE (£)	2019-20 ESTIMATE (£)	VARIANCE (£)	NOTES
GFUND	COMDIR	Community Services Directorate	BUJMAI	Building Maintenance	(6,760)	(5,050)	1,710	n/a
GFUND	COMDIR	Community Services Directorate	CARSIT	Gypsy and Traveller Caravan Sites	(39,960)	(101,970)	(62,010)	A post supporting the service has been removed from the establishment. Inclusion of fee from Surrey County Council for the management of their sites.
GFUND	COMDIR	Community Services Directorate	CITADV	Citizens Advice Bureau	285,190	284,710	(480)	n/a
GFUND	COMDIR	Community Services Directorate	CIVEMS	Civil Emergencies	66,250	61,230	(5,020)	n/a
GFUND	COMDIR	Community Services Directorate	COMSER	Community Services	0	0	0	n/a
GFUND	COMDIR	Community Services Directorate	DAYSER	Day Services	529,310	471,110	(58,200)	Salary savings due to a planned restructure and increase in sales.
GFUND	COMDIR	Community Services Directorate	EMECOM	Emergency Communications System	(33,740)	(69,610)	(35,870)	The estimate has been adjusted to reflect the improvement in income from alarm units [based on 2017-18 actual]
GFUND	COMDIR	Community Services Directorate	EMISER	EMI Services	139,970	163,330	23,360	Increase in support services recharges for ICT
GFUND	COMDIR	Community Services Directorate	ENVHEA	Environmental Control	458,170	445,900	(12,270)	n/a
GFUND	COMDIR	Community Services Directorate	FAMSUP	Surrey Family Support Programme	239,850	90,470	(149,380)	Inclusion of Home Office grant in respect of the Refugee Programme in the estimate; any Government grant previously received but not budgeted now included for consistency..
GFUND	COMDIR	Community Services Directorate	FOODSF	Food and Safety Services	413,000	383,630	(29,370)	Correction to support service recharges as majority charged here in error, plus reduction in car lease charges.
GFUND	COMDIR	Community Services Directorate	G2525	Health and Safety	(110)	0	110	n/a
GFUND	COMDIR	Community Services Directorate	G6525	Housing Surveying Services	(1,570)	15,000	16,570	n/a
GFUND	COMDIR	Community Services Directorate	GRANTH	Grants to Voluntary Organisations - Housing	491,880	481,340	(10,540)	n/a
GFUND	COMDIR	Community Services Directorate	HOMFAR	Home Farm Estate, Eppingham	1,390	6,360	4,970	n/a
GFUND	COMDIR	Community Services Directorate	HOMLES	Homelessness and Emergency Accommodation	861,700	860,070	(1,630)	n/a
GFUND	COMDIR	Community Services Directorate	HOUADV	Housing Advice	300,000	300,100	100	n/a
GFUND	COMDIR	Community Services Directorate	HOUASS	Affordable Housing Development	226,240	136,380	(89,860)	A reduction in staff numbers has resulted in a lower staff costs. lease cars and support service recharges.
GFUND	COMDIR	Community Services Directorate	INDEST	Industrial Estates	(2,941,660)	(2,782,820)	158,840	Income reduction due to 10/11 Middleton, Lysons Cobb Motors, mitigated by Slyfield increase. Savings in support services recharges and repairs and maintenance budget now held centrally held.
GFUND	COMDIR	Community Services Directorate	INVPRO	Investment Property	(5,244,900)	(4,905,980)	338,920	Income has reduced due to a reduction in rental income (Liongate break clause, The Billings void, Sydenham Rd less some increases). We are liable for The Billings unoccupied rates but reduction in support services recharges.
GFUND	COMDIR	Community Services Directorate	LICENS	Licensing Services	111,140	160,720	49,580	Salary allocations will be addressed in version 2, which will reduce the support service recharges
GFUND	COMDIR	Community Services Directorate	MOWTPT	Community Meals and TPT	667,150	726,430	59,280	Salary reductions but increase in support service recharges
GFUND	COMDIR	Community Services Directorate	OFFSVC	Office Services Team	(257,740)	(448,600)	(190,860)	The estimates for property services is now held in Asset Development £136,000
GFUND	COMDIR	Community Services Directorate	OSHRA	Housing Outside the HRA	(19,320)	(9,080)	10,240	n/a
GFUND	COMDIR	Community Services Directorate	OTHPRO	Other Property	(222,990)	(789,810)	(566,820)	Acquisition of Multiplex Bedford Rd will result in increased income (£830k) less costs £165k. Sheltered Housing income transferred to Housing and support services recharges increase.
GFUND	COMDIR	Community Services Directorate	PESCON	Pest Control	11,170	880	(10,290)	n/a
GFUND	COMDIR	Community Services Directorate	PRIHOUS	Private Sector Housing	438,580	463,820	25,240	A Partnership agreement between Waverly and GBC for a Handy Person service between the boroughs has been established. The increase in the bottom line is GBC's contribution to the agreement.
GFUND	COMDIR	Community Services Directorate	PROASP	Project Aspire	0	0	0	n/a
GFUND	COMDIR	Community Services Directorate	CORPRO	Asset Development	486,310	1,487,570	1,001,260	£1million centrally held allowance for repairs and maintenance moved here from individual sites.
GFUND	COMDIR	Community Services Directorate	PUBHEA	Public Health	81,150	79,900	(1,250)	n/a
GFUND	COMDIR	Community Services Directorate	SAFGUI	Community Safety Wardens	401,030	337,870	(63,160)	A reduction in staff numbers has resulted in a lower staff costs.
GFUND	COMDIR	Community Services Directorate	TAXLIC	Taxi Licensing and Private Hire Vehicles	57,530	92,730	35,200	Reduction in anticipated income which reflects the number of drivers currently operating in the borough (many transferred to LIBER)
GFUND	COMDIR	Community Services Directorate	WRDSTO	Woking Road Depot Stores	(700)	(640)	60	n/a
GFUND	ENVDIR	Environment Directorate	ABACAR	Abandoned Vehicles	39,010	41,620	2,610	n/a
GFUND	ENVDIR	Environment Directorate	ARMDAY	Armed Forces Day	0	0	0	n/a
GFUND	ENVDIR	Environment Directorate	BUSFOR	Business Forum	27,270	28,080	810	n/a
GFUND	ENVDIR	Environment Directorate	CCTV	CCTV Systems	99,320	97,770	(1,550)	n/a

LEVEL 3 CC	LEVEL 4 CC	DIRECTORATE	LEVEL 6 CC	SERVICE	2018-19 ESTIMATE (£)	2019-20 ESTIMATE (£)	VARIANCE (£)	NOTES
GFUND	ENVDIR	Environment Directorate	CEMETE	Cemeteries and Closed Churchyards	240,380	222,100	(18,280)	n/a
GFUND	ENVDIR	Environment Directorate	CLINWA	Clinical Waste	3,680	2,750	(930)	n/a
GFUND	ENVDIR	Environment Directorate	CREMAT	Crematorium	215,580	(220,040)	(435,620)	In 2018-19 an additional £110,000 was added for a service review to be completed. This still has not been agreed and the funding has not been added back to the service as yet. Cremation fee income was reduced in 2018-19 during rebuilding works, this has had a late start, but income will increase - discussions are under way to see if this can be
GFUND	ENVDIR	Environment Directorate	DOGCON	Dog Control and Animal Welfare	0	0	0	n/a
GFUND	ENVDIR	Environment Directorate	ELECTR	Electric Theatre	0	(2,780)	(2,780)	n/a
GFUND	ENVDIR	Environment Directorate	FLEMAN	Fleet Management Service	(1,585,660)	(1,487,900)	97,760	The Transport Pool Hire recharge recovered from the fleet is less in 2019-20 due to a reduced budget for depreciation. There has been a reduction in support services following a review. The budget for vehicle repairs has increased but servicing and hire of vehicles has been reduced to reflect previous years' actuals.
GFUND	ENVDIR	Environment Directorate	G4525	Legal Services	(7,600)	57,280	64,880	Increase in salary costs due to job evaluation, same FTE.
GFUND	ENVDIR	Environment Directorate	G5538	Engineering and Transport Services	750	0	(750)	n/a
GFUND	ENVDIR	Environment Directorate	GUIHOU	Guildford House	362,360	371,830	9,470	n/a
GFUND	ENVDIR	Environment Directorate	GUILDH	Guildhall	137,950	137,520	(430)	n/a
GFUND	ENVDIR	Environment Directorate	INFORO	Information Rights Officer	(120)	0	120	n/a
GFUND	ENVDIR	Environment Directorate	LANDRA	Land Drainage	361,480	304,970	(56,510)	Reduction in 2019-20 for grounds works to reflect actuals as well reduction in the engineering recharge following a review of support services
GFUND	ENVDIR	Environment Directorate	LEIART	Leisure Art Development	99,180	117,750	18,570	n/a
GFUND	ENVDIR	Environment Directorate	LEICOM	Leisure Community Centres	155,450	67,420	(88,030)	The estimates for property services is now held in Asset Development £88,500
GFUND	ENVDIR	Environment Directorate	LEIGL	Leisure G Live	395,480	410,110	14,630	n/a
GFUND	ENVDIR	Environment Directorate	LEIGRA	Leisure Grants	445,200	437,680	(7,520)	n/a
GFUND	ENVDIR	Environment Directorate	LEIMAN	Leisure Management Contract	(697,250)	(720,910)	(23,660)	Reduction in Consultants estimate for 2019-20
GFUND	ENVDIR	Environment Directorate	LEIPLA	Leisure Play Development	199,470	247,280	47,810	Duplicated posts within the service (7.008 & 7.008T, plus 7.053 & 7.053T) these will be addressed in version 2 of the salaries. This is also reflected in the increased support recharges
GFUND	ENVDIR	Environment Directorate	LEIRAN	Leisure Rangers	232,930	236,440	3,510	n/a
GFUND	ENVDIR	Environment Directorate	LEISPO	Leisure Sport Development	81,310	97,180	15,870	n/a
GFUND	ENVDIR	Environment Directorate	MARKET	Markets	(107,600)	(97,340)	10,260	n/a
GFUND	ENVDIR	Environment Directorate	MOTBAY	Mot Bay	(30,450)	(35,730)	(5,280)	n/a
GFUND	ENVDIR	Environment Directorate	MUSEUM	Guildford Museum	597,880	463,660	(134,220)	The estimates for repairs and maintenance are now held in the asset Development budget. A one year growth bid of £29,000 for Museum Accreditation has been taken out in 2019-20
GFUND	ENVDIR	Environment Directorate	OFFSTR	Off Street Parking	(5,748,080)	(6,284,670)	(536,590)	A review of support services has resulted in a significant increase in recharges, in particular IT related costs and the Customer Service Centre. Projected expenditure from the Car Parks Maintenance Reserve is reduced in 2019-20 by £805,000. A 2018-19 growth bid of £80,000 has been taken out in 2019-20. Contract security has increased by £20,000. Income has been adjusted to reflect 2017-18 actuals.
GFUND	ENVDIR	Environment Directorate	ONSTR	On Street Parking	(674,330)	(372,360)	301,970	A new administrative post has been created in this area and salary allocations of existing posts have been adjusted. From 2018-19 20% of the Guildford onstreet surplus is paid to SCC. The agreement was signed too late for 2018-19 estimates. A review of support services has resulted in a significant increase in recharges for this service, in particular in IT related costs.
GFUND	ENVDIR	Environment Directorate	OSMAP	Ordnance Survey and Mapping Services	14,370	8,070	(6,300)	n/a

LEVEL 3 CC	LEVEL 4 CC	DIRECTORATE	LEVEL 6 CC	SERVICE	2018-19 ESTIMATE (£)	2019-20 ESTIMATE (£)	VARIANCE (£)	NOTES
GFUND	ENVDIR	Environment Directorate	PARKS	Parks and Countryside	3,162,940	3,183,890	20,950	Increase in salary costs due to 1) job evaluation changes, 2) 2 posts to be removed as per agreement (Burchetts) 3) decrease in vacancy credit saving £97,930. Property services budget now allocated to Asset Development, off set by increase in Tree Works budget transferred from Asset Dev £125,620. Increased support service recharges due to change in basis, these will be rerun £96,000.
GFUND	ENVDIR	Environment Directorate	PARRID	Park and Ride Services	629,260	673,600	44,340	Increase in Parks charge for the upkeep of the grounds
GFUND	ENVDIR	Environment Directorate	PROCUR	Procurement	10,850	0	(10,850)	n/a
GFUND	ENVDIR	Environment Directorate	PUBCON	Public Conveniences	362,010	236,500	(125,510)	The repairs and maintenance budgets now sit in Asset Development
GFUND	ENVDIR	Environment Directorate	REFYCL	Refuse and Recycling	3,375,420	3,439,920	64,500	Increased salary cost due to increments, inflation and agency staff costs; increase in damage repairs to vehicles to reflect actuals but reduction in Transport Pool Hire recharge as depreciation costs reduce. Significant increase in gate fees due to co-mingled recycle £150,000 of which will be met from reserves. Support services have undergone a review and there is a reduction in the recharge to this area. Although recycling credits will be reduced green bin sales and trade refuse removal will exceed the previous year's budget.
GFUND	ENVDIR	Environment Directorate	RIVCON	River Control	39,620	34,740	(4,880)	n/a
GFUND	ENVDIR	Environment Directorate	ROAFOO	Roads and Footpaths Maintenance	98,080	109,510	11,430	n/a
GFUND	ENVDIR	Environment Directorate	SNOICE	Snow and Ice Plan Holding Account	9,480	(1,570)	(11,050)	n/a
GFUND	ENVDIR	Environment Directorate	STRCLE	Street Cleansing	2,445,740	2,397,160	(48,580)	Fuel and oil budgets are reduced to reflect previous year actuals. Budgets for dog kennelling costs and income recovered have been moved to Licensing
GFUND	ENVDIR	Environment Directorate	STRFUR	Street Furniture	89,740	101,790	12,050	n/a
GFUND	ENVDIR	Environment Directorate	TIC	Tourist Information Centre	236,940	248,480	11,540	n/a
GFUND	ENVDIR	Environment Directorate	TOUDEV	Business and Tourism	478,010	441,300	(36,710)	Salary savings and maintenance budgeted centrally.
GFUND	ENVDIR	Environment Directorate	TOWMAN	Town Centre Management	(154,750)	(153,670)	1,080	n/a
GFUND	ENVDIR	Environment Directorate	TRANSP	Transportation	14,380	20,000	5,620	n/a
GFUND	ENVDIR	Environment Directorate	VEHMAI	Vehicle Maintenance Workshop	(23,910)	(40)	23,870	The budget for vehicles spares has been increased to reflect actuals.
GFUND	ENVDIR	Environment Directorate	VILLGE	The Village	0	6,880	6,880	n/a
GFUND	ENVDIR	Environment Directorate	WAS	Works Ancillary Services	0	0	0	n/a
GFUND	ENVDIR	Environment Directorate	WRD	Woking Road Depot	(28,940)	26,680	55,620	Employee related expenditure is greater in 2019-20 due to a new caretaker post in the service. The recharge to other services is less due to a reduction in depreciation.
GFUND	ENVDIR	Environment Directorate	WSOH	Recycling, Cleansing and Parking Services	(42,910)	0	42,910	A review of support services recharges has resulted in a reduction in this area in 2019-20
GFUND	FINDIR	Finance Directorate	ACCGUI	Access Group for Guildford	4,170	4,470	300	n/a
GFUND	FINDIR	Finance Directorate	ACCOUN	Accountancy	23,030	0	(23,030)	n/a
GFUND	FINDIR	Finance Directorate	BUSRAT	Business Rates	(10,340)	(16,220)	(5,880)	n/a
GFUND	FINDIR	Finance Directorate	BUSSVC	ICT Business Services Team	(19,750)	230	19,980	n/a
GFUND	FINDIR	Finance Directorate	CIVEXP	Civic Expenses	228,190	227,480	(710)	n/a
GFUND	MANDIR	Finance Directorate	COMDEV	Community Development	288,670	286,760	(1,910)	n/a
GFUND	FINDIR	Finance Directorate	COMSUP	Council and Committee Support	406,980	416,110	9,130	n/a
GFUND	FINDIR	Finance Directorate	CORFIN	Corporate Financial	295,780	275,890	(19,890)	n/a
GFUND	FINDIR	Finance Directorate	CORSER	Corporate Services	887,270	1,036,880	149,610	Provision of £100k allowed for interns plus a £105k training provision less removal of government grant and expenses recovered
GFUND	FINDIR	Finance Directorate	CSADMN	Committee Services	(410)	0	410	n/a
GFUND	FINDIR	Finance Directorate	CTAX	Council Tax	569,800	539,910	(29,890)	Reduction in the allocation of support recharges and payroll.
GFUND	FINDIR	Finance Directorate	CUSTEC	ICT Customer Technical Support	0	0	0	n/a
GFUND	FINDIR	Finance Directorate	DEMREP	Democratic Representation and Managemen	908,970	775,240	(133,730)	Reduction in support services recharges due to recent review.
GFUND	FINDIR	Finance Directorate	ELECTI	Elections	98,090	93,860	(4,230)	n/a
GFUND	FINDIR	Finance Directorate	ELECTO	Electoral Registration	304,420	269,540	(34,880)	Decrease in support service recharges and grant income of £18,000 not budgeted last year.
GFUND	FINDIR	Finance Directorate	FEASTU	Feasibility Studies	40,220	40,470	250	n/a
GFUND	FINDIR	Finance Directorate	G3555	Debtors	2,610	0	(2,610)	n/a
GFUND	FINDIR	Finance Directorate	HOUBEN	Housing Benefits	323,060	390,510	67,450	Reductions in rent rebate and housing benefit admin grants

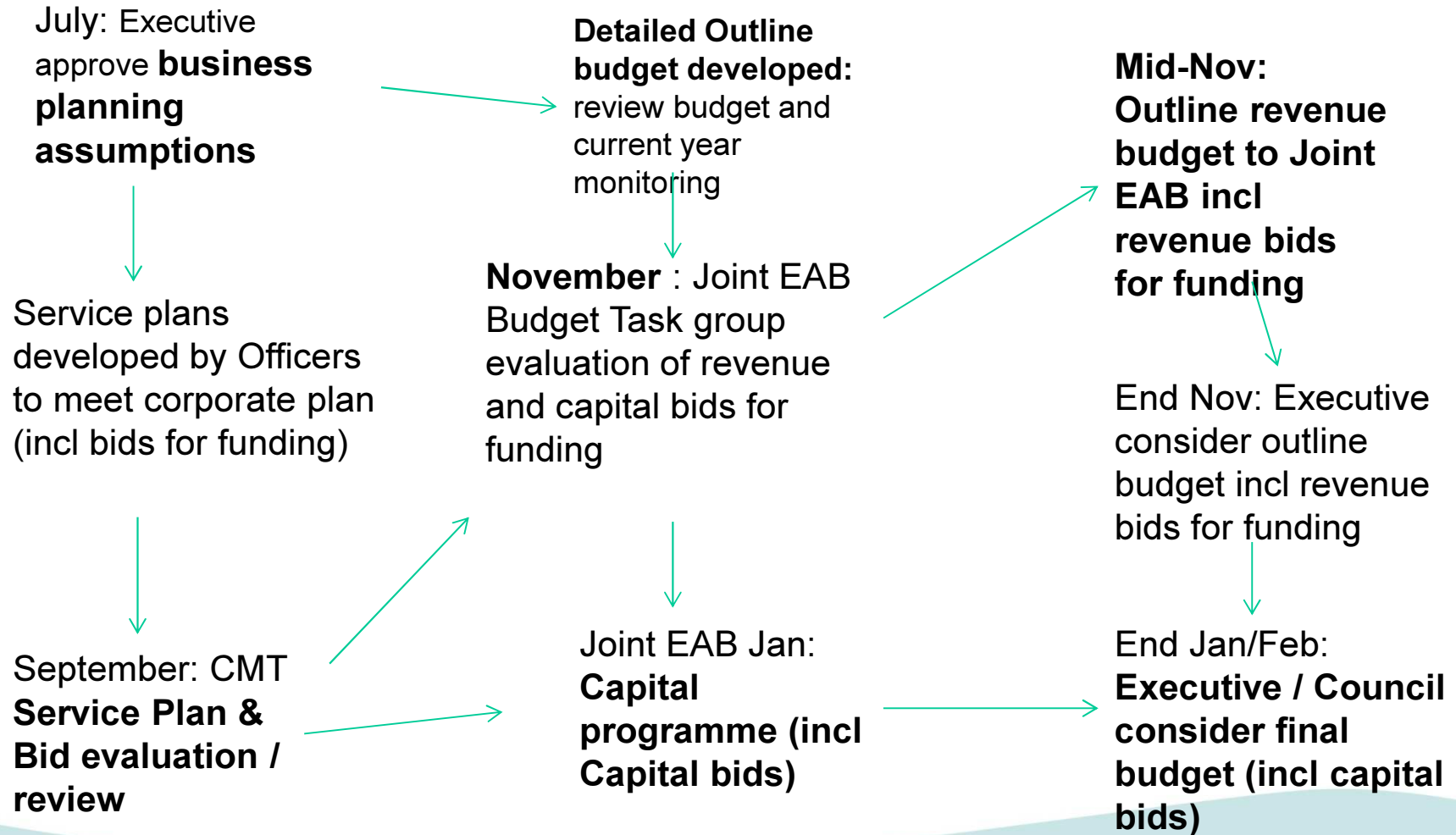
LEVEL 3 CC	LEVEL 4 CC	DIRECTORATE	LEVEL 6 CC	SERVICE	2018-19 ESTIMATE (£)	2019-20 ESTIMATE (£)	VARIANCE (£)	NOTES
GFUND	FINDIR	Finance Directorate	INFSYS	Information Systems Team	0	0	0	n/a
GFUND	FINDIR	Finance Directorate	INSREV	Insurance Revenue Account	5,630	530	(5,100)	n/a
GFUND	FINDIR	Finance Directorate	ITREV	IT Renewals Revenue Account	(601,350)	(892,710)	(291,360)	Significant increase in IT recharge due to investment in IT hardware and software.
GFUND	FINDIR	Finance Directorate	MANPOL	Management Policy Strategy	9,300	0	(9,300)	n/a
GFUND	FINDIR	Finance Directorate	MISEXE	Miscellaneous Items	395,290	1,056,810	661,520	Increase in IT renewals charges supporting enhanced programme.
GFUND	FINDIR	Finance Directorate	OPTECS	Operations Technical Services	40,320	0	(40,320)	Reduction in support service recharges received and increase in recharging for services.
GFUND	FINDIR	Finance Directorate	PARISH	Parish and Local Liaison	209,780	195,460	(14,320)	n/a
GFUND	FINDIR	Finance Directorate	PAYPAY	ePayments and Payroll	(11,400)	0	11,400	n/a
GFUND	FINDIR	Finance Directorate	PORMAN	Portfolio Management	6,690	0	(6,690)	n/a
GFUND	FINDIR	Finance Directorate	UNALLO	Non Distributed Costs	2,294,750	2,105,300	(189,450)	Adjustment to pension backfunding implication.
GFUND	FINDIR	Finance Directorate	WEB	Website	260,280	274,810	14,530	n/a
GFUND	FINDIR	Finance Directorate	YOUCOU	Guildford Youth Council	10,040	5,300	(4,740)	n/a
GFUND	MANDIR	Management Directorate	G3525	Internal Audit	(520)	0	520	n/a
GFUND	MANDIR	Management Directorate	G3530	Business Improvement	(723,030)	(273,760)	449,270	A proportion of the staff savings have been realised, therefore the budget has been adjusted to reflect those savings.
GFUND	MANDIR	Management Directorate	HRSERV	HR Services	2,260	0	(2,260)	n/a
GFUND	MANDIR	Management Directorate	OTHEMP	Other Employee Costs	84,710	98,390	13,680	n/a
GFUND	MANDIR	Management Directorate	PUBREL	Public Relations and Marketing	398,670	411,430	12,760	n/a
GFUND	PLNDIR	Planning And Regeneration	BUICON	Building Control Summary	395,720	376,760	(18,960)	n/a
GFUND	PLNDIR	Planning And Regeneration	CLIMAT	Climate Change	9,260	39,110	29,850	An FTE post remains in the accounts for consideration of deletion, CRC recharge has ceased for 2019-20, Pool cars transferred to Office Services
GFUND	PLNDIR	Planning And Regeneration	DEVCON	Development Control	988,520	873,980	(114,540)	Increased income projections and support services recharge; salary allocations adjusted
GFUND	PLNDIR	Planning And Regeneration	LANCHA	Local Land Charges	(3,010)	14,940	17,950	n/a
GFUND	PLNDIR	Planning And Regeneration	MAJPRO	Major Projects	1,169,700	650,550	(519,150)	Growth bids of £500k were included in 2018-19, £400k were one year bids and £100k final year of three year bid, therefore not applicable to 2019-20.
GFUND	PLNDIR	Planning And Regeneration	POLICY	Policy	1,829,260	1,350,660	(478,600)	Changes in allocation of support services recharge; one year growth bids of £260k out in 2019-20; Local Plan reserve not anticipated to be used in 2019-20
GFUND	PLNDIR	Planning And Regeneration	SAAP	Slyfield Area Regeneration Project (SARP)	92,680	74,910	(17,770)	n/a

Budget 2019-20: Progress Statement to Joint EAB

Claire Morris



Service and Financial Planning Process

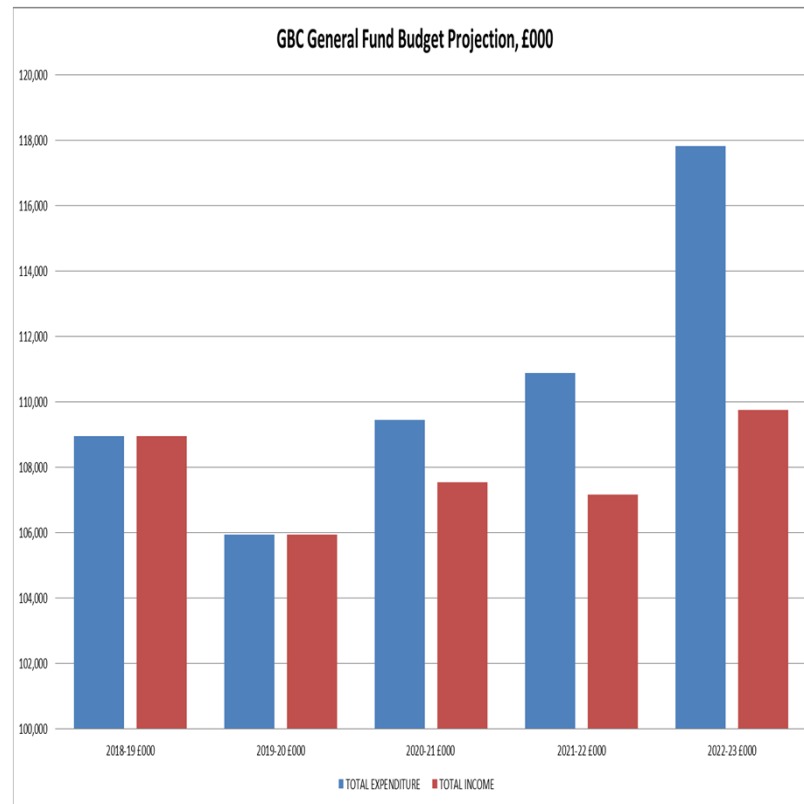


General Fund Revenue Budget

- Budget Parameters and Assumptions set by Executive July 2018
- Outline Budget is the base budget for service:-
 - Last year's budget uplifted for inflation factors and other minor movements
 - Base budget reviewed for comparison to last year actuals and reduced where possible
 - Includes 2nd year implications of previous year revenue and capital bids
 - Includes impact of existing borrowing & interest costs of existing capital programme
- Local Government Finance Settlement due 6th December
- Awaiting outcome of Surrey Business Rates Pilot bid for 2019-20
- Awaiting confirmation of the 2019-20 tax base in next few weeks
- Reviewed level of reserves:-
 - £3.7 million General reserves
 - Earmarked GF Reserves: Risk management £17.5 million, Specific service purposes £15.7 million, SPA developer Contributions £5.4 million

General Fund Revenue Budget

- Budget for 2019-20 currently balanced
- MTFP gap of £8 million (tbc)
- Main difference to July 2018 projection for 2019-20:-
 - No growth bids
 - Increase in directorate base budget £1.95 million
 - Increase in interest receivable £1.62 million
 - Reduction in MRP £0.81 million
 - Changes in use of reserves £0.28 million



Capital and Investment Strategy

- Joint Treasury Management and Capital programme report following new requirement for a capital strategy (CIPFA and MHCLG consultation)
- Includes financial and non-financial investments
- New CIPFA / MHCLG guidance states capital spend and borrowing needs to be **linked to Council functions and strategic objectives** – always been the case at GBC
- **Government clarified a Council's Core Objectives are 'service delivery and placemaking'**
- Strategic objectives which inform the Budget are set out in the Council's corporate plan but need to take into account all our published plans, policies and strategies
- Sets treasury management indicators and limits
- Outlines our investment strategy & management objectives

Capital Scheme Process

Idea discussion



Strategic case incl
Capital bid – project
accepted on to
provisional capital
programme



Detailed
Business Case
Report to
Executive (or
DoF if under
£200k) to
transfer budget
to the approved
capital
programme.



Procurement
& contract
negotiation



Revised
business
case (if
necessary)



Scheme
Implementation

Capital Programme

- GF capital programme totalling £496 million, underlying need to borrow £396 million
- Separate HRA capital programme for affordable and social housing
- However, options around project delivery mechanisms, income and role of the HRA in funding some schemes not yet certain – default position is general fund borrowing until funding clarified for each project at business case stage
- Local indicators introduced to demonstrate how sustainable the Councils financial position is
- Amended approval process for capital bids to bring Council more in line with best practice as per HM Treasury Green Book

This page is intentionally left blank