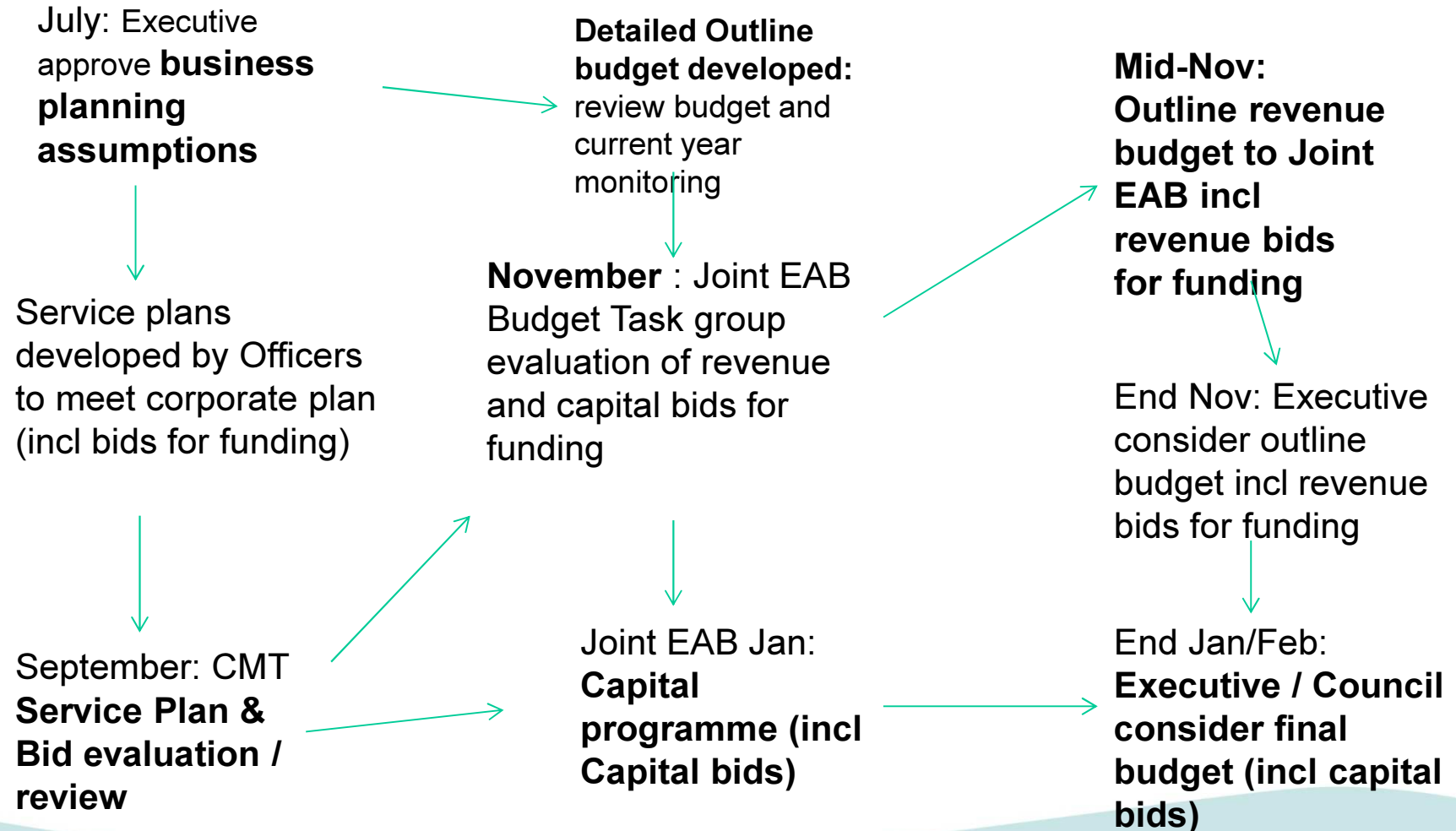


Budget 2019-20: Progress Statement to Joint EAB

Claire Morris



Service and Financial Planning Process

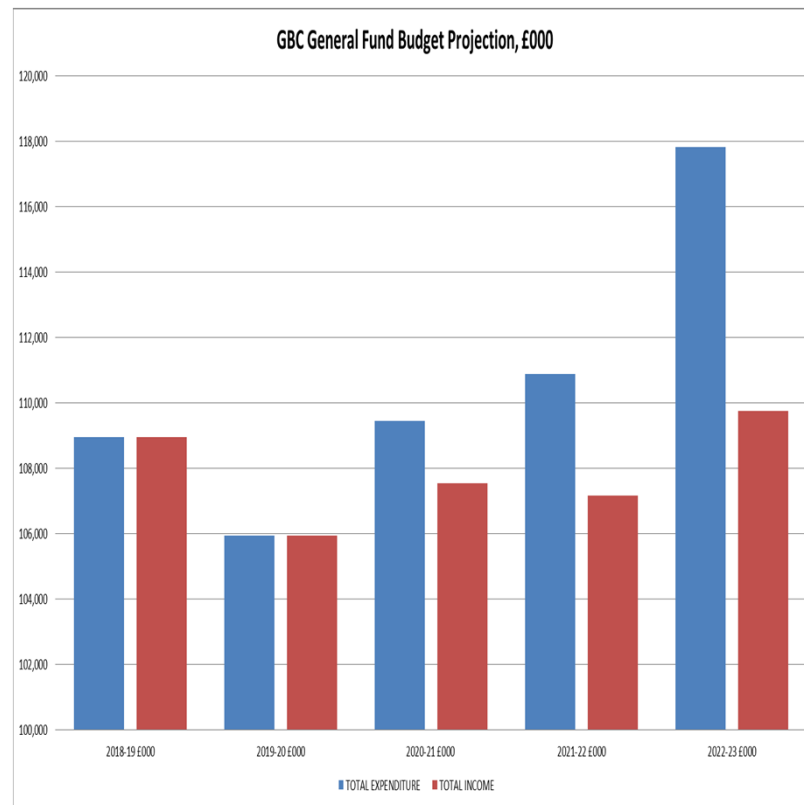


General Fund Revenue Budget

- 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