

## Guildford BC Budget Movement Summary

## APPENDIX 3

	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
	£m	£m	£m	£m	£m
Brought forward budget	10.4	9.1	13.0	14.6	47.0
Inflation and other unavoidable adjustments	0.0	0.3	0.3	0.3	
Pressures (Growth items)	0.4	2.3	0.7	0.0	3.4
Increased borrowing costs of Capital Programme	(0.3)	1.9	1.9	0.8	4.3
Identified Efficiencies	(1.4)	(0.7)	(1.2)	(0.3)	(3.6)
<b>Total budget requirement (CTAX Requirement)</b>	<b>9.1</b>	<b>13.0</b>	<b>14.6</b>	<b>15.3</b>	<b>51.9</b>
Change in net budget requirement	(1.3)	3.9	1.6	0.8	4.9
Change in use of reserves	0.6	(4.0)	0.1	0.1	(2.3)
Funding Reductions	0.7	1.6	(0.3)	(0.4)	1.6
<b>Budget Gap (Reductions still to find)</b>	<b>0.0</b>	<b>1.5</b>	<b>1.3</b>	<b>0.5</b>	<b>3.3</b>

Pressures	Commentary	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
		£m	£m	£m	£m	£m
Pensions backfunding liability	as per Triennial Valuation. GBC made a saving at last valuation by paying a lumpsum upfront funded from reserves and then re-paying the reserves over the following 2 years. From the next valuation the annual backfunding amount will need to go back into the service budgets unless funded from reserves again.	0.000	2.000	0.000	0.000	2.000
ICT Cloud SaaS costs	increase in annual service and licence costs from implementing Cloud SaaS technology across customer services, finance/HR/Payroll and Revenues and Benefits as per Future Guildford Transformation Programme & Business Case	0.176	0.000	0.000	0.000	0.176
Salary increments	growth for salary increments (assume 1% of total pay) as per staff pay scheme and contractual obligations	0.325	0.006	0.000	0.000	0.331
Leisure Partnership Contract	Contract extension formerly agreed in Sept 2021 for 2 years following which contract will need to be retendered for October 2023. Income from contract has been reduced on extension due to on-going Covid impact. Anticipate that income loss will not carry through to retendered contract in 2023.	0.267	0.000	(0.267)	0.000	0.000
National insurance increase	provision for the cost of increased NI contributions as per Government Budget announcement	0.353	0.000	0.000	0.000	0.353
Additional Pay inflation	Executive agreed the budget assumptions at its meeting in June 2021 setting out an anticipation that pay inflation would be 2% per annum over the 4 year period. Following a rise in inflation, this amount has been revised.	0.823	0.000	0.000	0.000	0.823
Less: Removal of one-off budgeted items from 2021-22	Removal of one-off expenditure on projects budgeted for during 2021-22 (eg, Town Centre Masterplan)	(1.083)	0.000	0.000	0.000	(1.083)
SFC Income Loss	Mainly relates to parking. We put a £1.2million central income loss contingency budget in for 2021-22 to make provision for a reduction in fees and charges income during and immediately post-COVID 19. We anticipate that income will gradually return to pre-covid levels during the Medium Term Period. Parking income is only expected to return to 90% capacity in the medium term.	(0.784)	0.000	0.000	0.000	(0.784)
Costs and Income loss from North Street development	Loss of income from car parking resulting from the sale of land for the North Street Development	0.080	0.320	0.000	0.000	0.400
Climate Change strategy	Reduction in energy usage and emissions	0.148	0.000	0.000	0.000	0.148

Planning	Significant increase in householder applications resulting in additional agency spend and removal of pre-app service to cope with demand (loss of income as a result of pre-app service suspension)	0.000	0.000	0.000	0.000	0.000
Guildford Waverley collaboration	provision for implementation costs associated with the joint management team	0.050				
National Waste minimisation strategy	Anticipate significant additional cost of the national waste strategy due to be implemented in 2024-25. Amount is net of possible new burdens funding. Growth bid / Mandate required in due course.	0.000	0.000	1.000	0.000	1.000

Efficiencies	Commentary	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
		£m	£m	£m	£m	£m
Asset Management Strategy	Increase income generation from assets as per strategy	(0.628)	0.000	0.000	0.000	(0.628)
Procurement Strategy	Efficiencies in non-staff costs resulting from more compliant procurement and category management of expenditure in line with procurement strategy	(0.185)	(0.467)	(0.733)	(0.189)	(1.573)
Guildford and Waverley Collaboration	Reduction in Senior management costs as part of greater collaboration and sharing of services with Waverley BC	(0.150)	(0.200)	(0.200)	(0.150)	(0.700)
Public Conveniences	Partial closure of service	(0.065)	0.000	0.000	0.000	(0.065)
Leisure Grants - Classical Music Grant	Removal of grant funding	(0.060)	0.000	0.000	0.000	(0.060)
Leisure Grants - Guildford Book Festival Grant	Reduction of grant funding	(0.010)	(0.005)	(0.003)	0.000	(0.018)
Park and Ride	Reduction or partial closure of Park and Ride services	0.000	0.000	(0.300)	0.000	(0.300)
Fees and Charges Review	Additional income from above inflation increased in various fees and charges	(0.143)	0.000	0.000	0.000	(0.143)
Leisure Services: GLive Contract Extension	3 year contract extension agreed by executive on 24th august 2021	(0.054)	0.000	0.000	0.000	(0.054)
Voluntary grants review	Reduction to CAB grant and Removal of Voluntary Grants Scheme to be replaced with CrowdFunding scheme.	(0.075)	(0.025)	0.000	0.000	(0.100)

Funding assumptions	Commentary	2022/23	2023/24	2024/25	2025/26	TOTAL 2022-23 to 2025-26
		£m	£m	£m	£m	£m
New Homes Bonus Change		(0.6)	0.8	0.0	0.0	0.2
Collection fund deficit change		(0.1)	0.2	(0.0)	0.0	0.0
Business Rates Retention Scheme	Change in net income as a result of the BRRS	1.2	0.5	(0.1)	(0.1)	1.6
Covid grant	grant received in 2021-22 assumed to be one-off	0.6	0.0	0.0	0.0	0.6
Lower tier services & other grants	grant received in 2021-22 assumed to be one-off	0.1	0.0	0.0	0.0	0.1
Fair funding review impact & BRRS reset	assumptions as per advice from LGFutures	0.0	0.5	0.1	0.0	0.7
Income due to increased tax base	increased assumed as per Local Plan Housing Delivery schedule less slippage allowance	(0.2)	(0.2)	(0.2)	(0.1)	(0.6)
Income due to increase Council tax	assumed @ 1.94%	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)