

Business Planning
2017/18 to 2020/21:
Business Planning: 2017-18
Budget update

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Budget Assumptions

	2017-18	2018-19	2019-20	2020-21	Benchmark
General Inflation	1.5%	2.0%	2.0%	2.0%	CPI
Payroll	2.0%	2.0%	2.0%	2.0%	AWE (PS)
Income	3.0%	3.0%	3.0%	3.0%	RPI
Council Tax increase	£5 (approx 3.3%)	£5 (approx 3.3%)	£5 (approx 3.3%)	?	RPI(x)
Business Rates Inflation	RPI	RPI	RPI	CPI	RPI until 2020, CPI after 2020
Revenue Support Grant (RSG) decrease	-71%	No RSG	No RSG	No RSG	n/a
Council Tax Base Increase (New homes)	0.8%	0.25%	0.20%	0.50%	Planning applications
Average Weighted Investment Returns	1.8	2.0	2.1	2.1	Target % above BoE Base rate

AWE = Average Weekly Earnings Index
BoE = Bank of England

CPI = Consumer Price Index
RPI = Retail Price Index

CMT Thoughts on Opportunities

Efficiencies & Savings & Service Transformation	Income Generation / Commercialisation
Recruitment and Retention – train our own: greater use of apprenticeships, trainee schemes and social enterprises in service delivery	Sale of DSO services (eg, Building / Garden Maintenance) to other organisations / general public
Invest to Save – Digital technology, automation of services and self service through web/ app	Major regeneration projects and economic development
Possibility to develop shared service or commercialisation / trading options:- eg, Community Meals, Community Services, Regulatory services, Asset Management, Legal, IT, Finance, Audit & HR	
Electric Theatre Review	Museum Review
Build capacity within the community to support themselves through voluntary and community groups: reduce reliance on the Council ('the Big Society?')	Grow North Downs Housing Ltd
Continuation of FSR / Lean Review programme to review options for each individual service	Invest to save - Energy Management review &/or Community Energy Scheme
Vacancy review	Fees and Charges / Income Review

Where we are now

- Officers prepared growth bids, capital bids & savings proposals
- Starting revenue budget = lower of 15-16 actual spend or 16-17 budget
- Starting budget adjusted for inflation & known changes
- ZBB on salaries and other lines
- Underspends for 16-17 being analysed for 17-18 impact

	£'000
Net position on the general fund before growth, savings and income bids	1,423
Growth Bid	2,432
Savings Bids	(1,115)
Income generation Bids	(1,282)
20% non-achievement allowance for growth bids	<u>(152)</u>
Net position on the general fund after growth, savings and income bids	<u><u>1,306</u></u>

Proposed Use of Reserves

- New Homes Bonus reserve proposed to be used for:-
 - PR000365 - Ash road railway bridge feasibility study, £80,000
 - PR000402 - Guildford Gyratory and approaches transport feasibility study, £120,000
 - PR00435 - Guildford railway station platform capacity study, £100,000
 - PR000316 - Sustainable movement corridor, £100,000
 - PR000372 - Bedford Wharf development project, £400,000
 - PR000248 – an amount of £xxx,000 is allocated to support the cost to the Council’s general fund of developing of Bright Hill car park for housing
- Budget Pressures reserve proposed to be used for:-
 - PR406 relating to the potential loss of income during the crematorium rebuild project of £871,000
- Invest to save reserve to be used to pump-prime transformation projects and FSR’s

Where we are now

£1.3million gap for 2017-18 but

- MRP and Interest projections need updating once capital programme and TM strategy further advanced – likelihood of £0.5million benefit?
- Collection Fund Surplus on Council Tax to be confirmed in January 2017 – possible £100,000 benefit?
- Therefore underlying gap approx £700,000?
Tbc..... Consider ways to reduce:
 - Reduce general inflation assumption to 1%?
 - Reduce payroll inflation to 1.5%?
 - Revision of the customer service strategy – increase automation - £175,000?
 - Put in target for commercial services transformation workstreams?
 - Strategic property acquisition fund – increase rental income - £216,000?
 - Reduce level of growth (excl those funded from reserves)?
 - Further use of reserves?

Guildford Borough Council 4-year Budget, £million

