

**WRS Board
1st October 2020**

WORCESTERSHIRE REGULATORY SERVICE BUDGETS 2020/21

Recommendation

The WRS budgets for 2020/21 were agreed at WRS Board on 14th November 19. However due to late changes in the WRS forward pension funding rate from 16.9% to 20.5%, Pay Award of 2.75% (Budgeted at 2%), increase in charges from Wyre Forest for accommodation & ICT hosting and a change in pest control service at Wyre Forest in March 20

It is recommended that the WRS Board:

- 1.1 Approve the additional partner liabilities for 2020/21 in relation to increase in WRS pension forward funding rate and recommend the increase to individual partner councils:-

Bromsgrove District Council	£11k
Malvern Hills District Council	£10k
Redditch Borough Council	£13k
Worcester City Council	£13k
Wychavon District Council	£18k
Wyre Forest District Council	£12k
Total	£77k

1.2 Approve the additional partner liabilities for 2020/21 in relation to the additional increase in pay award of 0.75% from the original estimated 2% and recommend the increase to individual partner councils:-

Bromsgrove District Council	£3k
Malvern Hills District Council	£3k
Redditch Borough Council	£4k
Worcester City Council	£3k
Wychavon District Council	£5k
Wyre Forest District Council	£3k
Total	£21k

1.3 Approve the refund to Wyre Forest in relation to the change of Pest Control Services and recommend the refund to individual partner councils:-

Wyre Forest District Council	£7k
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1.4 Approve the additional partner liabilities for 2020/21 in relation to increase in accommodation charges and ICT hosting from Wyre Forest and recommend the increase to individual partner councils:-

Bromsgrove District Council	£2k
Malvern Hills District Council	£2k
Redditch Borough Council	£2k
Worcester City Council	£2k
Wychavon District Council	£3k
Wyre Forest District Council	£2k
Total	£13k

1.5 Approve the revised budget for 2020/21 and partner percentage allocations for 2020/21 onwards, due to the change in pest control service at Wyre Forest:-

	£'000	Revised %
Bromsgrove District Council	468	14.59
Malvern Hills District Council	412	12.82
Redditch Borough Council	564	17.57
Worcester City Council	532	16.58
Wychavon District	748	23.29
Wyre Forest District Council	486	15.15
Total	3,210	

Introduction/Summary

The revised budget 2020/21 excludes agreed Technical officers for Animal Activity, Income Generation and Gull Control Work.

The production of a robust budget position enables partners and the service to manage the financial position of the organisation.

This report presents the additional funding required from partners for WRS revenue budget for 2020/21

Officers from Partner Councils have considered the proposal and would recommend its approval to Members.

Report

The following elements are included in this report for WRS Board Member's Attention:

- Breakdown of partner pension backfunding contributions – Appendix 1
- WRS revised Partner revenue budget contributions 2020/21 - Appendix 2

WRS Budgets 2020/21 – Forward Pension

A revised pension schedule was received from Worcestershire County Council with an increase in the WRS pension forward rate to 20.5%, the budget was set at 16.9%. This increase in the WRS pension forward rate from 16.9% to 20.5% for future years are not able to be met currently by WRS making

additional income, therefore an increase to partner funding will be required of:-

Council	2020/21
	£'000
Bromsgrove District Council	11
Malvern Hills District Council	10
Redditch Borough Council	13
Worcester City Council	13
Wychavon District Council	18
Wyre Forest District Council	12
Total	77

Appendix 1 shows the partner WRS pension backfunding deficit for 2017-18 to 2019-20 compared against the payment required for years 2020-21 – 2022-23. The WRS backfunding element of the pension has reduced significantly creating a saving for all partner councils. Therefore partners will still receive a saving even after the funding of the additional forward funding pension liability.

WRS Budgets 2020/21 – Pay Award 2020/21

The pay award for 2020/21 has been formally agreed at 2.75%, the budget was set at 2%. WRS are unable to cover this increase, therefore an increase to partner funding will be required of:-

Council	2020/21
	£'000
Bromsgrove District Council	3
Malvern Hills District Council	3
Redditch Borough Council	4
Worcester City Council	3
Wychavon District Council	5
Wyre Forest District Council	3
Total	21

WRS Budgets 2020/21 – Increase in Rent & ICT Hosting

An increase in accommodation charges & ICT hosting was required from Wyre Forest in March 20. Therefore an increase to partner funding will be required of:-

Council	2020/21
	£'000
Bromsgrove District Council	2
Malvern Hills District Council	2
Redditch Borough Council	2
Worcester City Council	2
Wychavon District Council	3
Wyre Forest District Council	2
Total	13

WRS Budgets 2020/21 – Pest Control Change

From April 20 Wyre Forest are changing their procedures for Pest Control and will no longer require WRS to carry out any pest control duties for them. Therefore WRS will need to refund Wyre Forest £7.5k, which is the budget at WRS for this service. This will result in a slight change in the partner percentages as per below:-

	Current %	Revised %
Bromsgrove District Council	14.55	14.59
Malvern Hills District Council	12.79	12.82
Redditch Borough Council	17.53	17.57
Worcester City Council	16.54	16.58
Wychavon District Council	23.24	23.29
Wyre Forest District Council	15.35	15.15

Financial Implications

None other than those stated in the report

Sustainability

None as a direct result of this paper

Contact point

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Background Papers

Detailed financial business case

