

WRS Board: 19th November 2020

Information Report: The increase in charges by Wyre Forest District Council

Recommendation Members are asked to note the report and either:

- i. Approve the additional partner liabilities for 2020/21 in relation to the increase in accommodation charges and ICT hosting from Wyre Forest and recommend the increase to individual partner councils, as indicated in the table at Appendix A or,
- ii. Approve that the increase should be covered by income generation and, in event of income targets not being met, that the costs can be covered by reserves.

Background At the October 2020 meeting the Head of Service agreed to bring a paper to the Board to make them aware of the process that was followed leading to this increase in charges. This paper provides information about the timing and the discussion between the Head of Service and other officer members of the Board regarding the situation.

Report In 2014/15, before the service moved to Wyre Forest House, a search for accommodation across the local government family in the county was undertaken. The service was offered space in Redditch Library, Wyre Forest House and the old Police Station in Pershore. The review concluded that the Wyre Forest offer was the most cost effective and, with office space that was ready to move into without any additional work, it was the easiest to adopt.

At the end of January 2020, the Head of Service was approached by the WFDC IT Manager and their Director of Finance as the original agreement for accommodation and IT support was coming to an end. The initial conversation covered only IT provision but, in the first week of February, it was confirmed that a similar uplift would be requested for the accommodation. The increases were based on the compounded impact of the rate of inflation over that period. The table below demonstrates how colleagues at WFDC arrived at their final figures:

Year	RPI Annual %
2019	2.6
2018	2.7
2017	4.1
2016	2.5
2015	1.2

Applying these figures on an annual basis looking backwards leads to a compound figure of £50,000 per annum for IT provision (up from £44,000,) and £61,000 per annum for

accommodation (up from £54,000.) These figures are rounded, so the overall increase to the nearest £1,000 is £13,000.

The Head of Service expressed some concern that, coming at this point in the year made it difficult to incorporate these increases into the WRS budget as it had been set for the year already. WFDC officers apologised for this issue but as the Head of Service had to agree, this was not the first time that the need for the partnership to set a budget in November caused an issue for one or other partners in their own budget setting processes.

The service provided by WFDC IT team is very good and, as part of the annual staff survey, staff still comment on how changing ICT host improved their experience of work based IT solutions. The office accommodation at Wyre Forest House is also of an excellent standard, better than many other public buildings in the County.

Head of Service consulted with the officer members of the Board. Whilst all were disappointed that WFDC had asked for an increase, they did not object outright and reluctantly accepted that an inflation only increase was difficult to resist. The Head of Service queried the potential availability of other suitable accommodation within the partner portfolio of properties, but it was clear that nothing suitable was available at that time that could provide sufficient quantity of space and desk numbers, even before a consideration of cost was made. Only the old Police Station in Pershore remained available and this would have needed some work to bring it up to standard and make it suitable. The Head of Service also spoke to the County Council regarding space at County Hall, but at this time, there was not sufficient available.

Members should also be aware that, as well as the obvious disruptions to work and the workforce, a re-location would also entail officers becoming entitled to a disbursement payment equivalent to the mileage cost of any additional home to work travel for a period of one year after the move. This was a not un-substantial amount the last time the service had to move from Worcester.

On balance, the Head of Service felt that the sensible solution was to pay the uplift and continue with current arrangements. The increase spend is within the Head of Service's remit for decision making.

In terms of the service's accommodation, the partnership is now on a rolling contract that can be reviewed annually. We will ask colleagues at WFDC to be clear of their intentions for rent increases earlier in the year. It also gives the opportunity for the service to give consideration in the medium term to relocating should that be beneficial to service delivery.

One of the results of Covid 19 is the increasingly ubiquitous nature of working from home and this learning should give Councils the opportunity to re-consider staff working practices and accommodation needs. This may lead to partners, or even the County Council having further capacity available that may be suitable. A more central location for the service might have some benefits, albeit there would also be costs associated with moving.

With the current pandemic and the way in which resources are stretched, it would not be practical to consider this for 2021/22 but certainly exploring options the following year with, if it is beneficial, a move at the end of 2022/23 or in the early part of 2023/24 could be considered.



Originally, officer members of the Board indicated their preferred option was to simply include this increase in the income targets for the year. Given the current situation however, the Head of Service felt it worth asking members to consider whether they would make an uplift to the budget to cover this. If members do not wish to agree to uplift the budget by this amount, the option of reverting to fund this with income remains. Should the overall income target not be met, members have previously agreed that the service reserve can be used to cover overspends and this increase would simply be rolled into this calculation at the end of the year.

Should members be content with the calculations indicated in the report and agree to increase the base budget to cover these costs, the table in Appendix A demonstrates the amounts by which each partner's contribution will increase.

Contact Point

Simon Wilkes
Head of Regulatory Services
Email: simon.wilkes@worcestersregservices.gov.uk
Tel: 01562 738088

Appendix A: Table of partner contributions for this specific matter

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



