

WRS Board 19th November 2020

WORCESTERSHIRE REGULATORY SERVICE BUDGETS 2021/22 – 2023/24

Recommendation

The following recommendations are caveated as starting point assumes that the base budget figure for 2020/21 has been updated to include all of the increases mentioned at the October meeting including the additional funding for Wyre Forest DC for accommodation and IT costs.

It is recommended that the WRS Board:

- 1.1 Approve the 2021/22 gross expenditure budget of £3,739k as shown in Appendix 1.
- 1.2 Approve the 2021/22 income budget of £529k as shown in Appendix 1.
- 1.3 Approve the revenue budget and partner percentage allocations for 21/22 onwards:

Council	£'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	

- 1.4 Approve the additional partner liabilities for 2021/22 in relation to unavoidable salary pressure.

Bromsgrove District Council	£9k
Malvern Hills District Council	£8k
Redditch Borough Council	£10k
Worcester City Council	£10k
Wychavon District Council	£14k
Wyre Forest District Council	£9k
Total	£60k

1.5 Approve the additional partner liabilities for 2021/22 in relation to three Technical Officers.

Council	Tech Officer Income Generation £000	Tech Officer Animal Activity £000	Tech Officer Gull Control £000
Bromsgrove District Council	5	6	
Malvern Hills District Council	4	10	
Redditch Borough Council	6	2	
Worcester City Council	5	4	30
Wychavon District Council	7	9	
Wyre Forest District Council	5	5	
Total	32	36	30

Introduction/Summary

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

Report

This report presents the revenue budget for 2021/22 – 2023/24 in relation to Worcestershire Regulatory Services.

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

- WRS Financial Plan 2021/22 – 2023/24 – Appendix 1
- WRS Partner Contributions Breakdown 2021/22 – 2023/24 – Appendix 2
- WRS Income Budget Breakdown 2021/22 – Appendix 3

WRS Budgets 2021/22

Appendix 1 shows the 2021-22 – 2023/24 budget breakdown for the district councils' partnership.

The following assumptions have been made in relation to the projections:

- 2% pay award across all staff for 2021/22 – 20223/24. This will be subject to the National Pay Negotiations that are ongoing and therefore the final position will reflect any formally agreed increases, the budget also includes any employee entitled to an incremental increase.
- Total partner contribution as included in Appendix 2
- Income projections as included at Appendix 3.
- No inflationary increases in supplies and services, premises or transport.
- Pension back-funding will be paid by all partners.

The unavoidable salary pressures are not able to be met currently by WRS making additional income, in the main due to the pressures created by the pandemic and the response to it. The normal sources of income (local authorities,) are not currently focused on the areas of work that WRS delivers for income generation purposes and WRS officers are at the heart of the response locally. Therefore, an increase to partner funding will be required of:

Council	2021/22	2022/23 - Cumulative	2023/24 - Cumulative
Council	£'000	£'000	£'000
Bromsgrove District Council	9	20	31
Malvern Hills District Council	8	18	28
Redditch Borough Council	10	23	36
Worcester City Council	10	22	34
Wychavon District Council	14	31	48
Wyre Forest District Council	9	20	31
Total	60	134	208

Clearly, should the situation with the pandemic improve in the second half of 2021/22, WRS Officers will be looking to move forward with the programme of income generation and the benefits of this may be seen in an underspend that can be returned to partners at year end. Hence, an upfront investment this year will give certainty to the service and the partners in terms of cost, with the potential for a return on investment if the pandemic situation eases.

In addition to the base budget there are three additional technical officers working on income generation, animal activity and gull control. We are unable to include these officers into the base budget as the income generation officer is a temporary agreement agreed by partner councils and the animal activity and gull control officer recharge percentage basis is different to the agreed partner recharge allocations.

Financial Implications

None other than those stated in the report

Sustainability

None as a direct result of this paper

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Background Papers

Detailed financial business case