

WRS Board
18th November 2021

WORCESTERSHIRE REGULATORY SERVICE BUDGETS 2022/23 – 2024/25

Recommendation

It is recommended that the WRS Board:

- 1.1 Approve the 2022/23 gross expenditure budget of £3,891k as shown in Appendix 1.
- 1.2 Approve the 2022/23 income budget of £634k as shown in Appendix 1.
- 1.3 Approve the revenue budget and partner percentage allocations for 22/23 onwards:

Council	£'000	Revised %
Bromsgrove District Council	475	14.55
Malvern Hills District Council	418	13.03
Redditch Borough Council	572	17.53
Worcester City Council	540	16.54
Wychavon District	759	23.24
Wyre Forest District Council	493	15.11
Total	3,257	

1.4 Approve the additional partner liabilities for 2022/23 in relation to unavoidable salary pressure.

Council	£'000
Bromsgrove District Council	12
Malvern Hills District Council	11
Redditch Borough Council	14
Worcester City Council	13
Wychavon District Council	19
Wyre Forest District Council	12
Total	81

1.5 Approve the additional partner liabilities for 2022/23 in relation to increase in hosting costs.

Council	Increase in Rent £000	Increase in ICT Hosting £000	Increase in Support Hosting £000
Bromsgrove District Council	1	2	1
Malvern Hills District Council	1	2	1
Redditch Borough Council	1	3	2
Worcester City Council	1	3	2
Wychavon District Council	2	4	2
Wyre Forest District Council	1	2	2
Total	7	16	10

1.6 Approve the additional partner liabilities for 2022/23 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	7	
Malvern Hills District Council	4	10	
Redditch Borough Council	6	2	
Worcester City Council	5	4	70
Wychavon District Council	8	10	
Wyre Forest District Council	5	5	
Total	33	38	70

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 2022/23 – 2024/25 in relation to Worcestershire Regulatory Services.

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

- WRS Financial Plan 2022/23 – 2024/25 – Appendix 1
- WRS Partner Contributions Breakdown 2022/23 – 2024/25 – Appendix 2
- WRS Income Budget Breakdown 2022/23 – Appendix 3

WRS Budgets 2022/23

Appendix 1 shows the 2022-23 – 2024/25 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 2022/23 – 20224/25. 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.
- Increase in Rent of £7k
- Increase in ICT Hosting of £15.5k
- Increase in Support Hosting of £10k
- 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, therefore, an increase to partner funding will be required of:

Council	2022/23	2023/24 - Cumulative	2024/25 - Cumulative
	£'000	£'000	£'000
Bromsgrove District Council	12	23	34
Malvern Hills District Council	11	21	30
Redditch Borough Council	14	28	40
Worcester City Council	13	26	38
Wychavon District Council	19	37	53
Wyre Forest District Council	12	24	35
Total	81	159	230

Bromsgrove has hosted the service since its inception in 2010. This year is the first time the council has sought an increase in this charge. We have calculated that salary pressures since 2015 applied year on year amount to approximately the £10,000 increase in hosting fee. This seems sensible as the key provisions for hosting, things like HR, Finance, Legal and Payroll are very much people focused so this is the key cost pressure for these aspects of hosting

The larger than anticipated increase in ICT hosting cost is down to a combination of the changes in technology used by the service and the additional support provided to meet the needs of wider hybrid (mobile and flexible) working across the service. Within this specific factors include:

- greater home working and the increased use of collaboration software like Microsoft Teams has shifted the arrangements away from “thin clients” where the council’s servers do most of the processing;

- Laptops require updating individually for software changes and upgrades and require greater levels of maintenance;
- the growth of the threat from hackers and the need to increase cyber security measures to protect the partner's data and to meet PSN standards set by Government;
- The increased numbers of complex devices in use also leads to an increase in support calls and the length of those calls.

It should also be noted that the pandemic has seen a significant increase in staff numbers within WRS to deliver a range of new pieces of work and the Wyre Forest ICT team has supported all of these. The new cost calculations are made on the assumption that, as funding for Covid work is scheduled to cease in April 2022, WRS will return to its normal activities. WFDC have not made any allowance for significant additional staffing numbers in the calculating the new costs.

With regard to the above changes in rent, ICT hosting & support hosting, it should be noted that officer representatives of each Council have met to check & challenge the reasonableness of the proposed increases.

These pressures are not able to be met currently by WRS, therefore, an increase to partner funding will be required of:

Council	2022/23 Increase in Rent	2022/23 Increase in ICT Hosting	2022/23 Increase in Support Hosting
	£'000	£'000	£'000
Bromsgrove District Council	1	2	1
Malvern Hills District Council	1	2	1
Redditch Borough Council	1	3	2
Worcester City Council	1	3	2
Wychavon District Council	2	4	2
Wyre Forest District Council	1	2	2
Total	7	16	10

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

Contact point

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Background Papers

Detailed financial business case