

**WRS Board**  
**21<sup>st</sup> November 2024**

**WORCESTERSHIRE REGULATORY SERVICE BUDGETS 2025/26 – 2027/28**

**Recommendation**

It is recommended that the WRS Board:

- 1.1 Approve the 2025/26 gross expenditure budget of £5,356k as shown in Appendix 1.
- 1.2 Approve the 2025/26 income budget of £1,258k as shown in Appendix 1.
- 1.3 Approve the revenue budget and partner percentage allocations for 25/26 onwards:

<b>Council</b>	<b>£'000</b>	<b>Revised %</b>
Bromsgrove District Council	592	14.45
Malvern Hills District Council	538	13.13
Redditch Borough Council	725	17.68
Worcester City Council	658	16.07
Wychavon District	960	23.43
Wyre Forest District Council	625	15.24
<b>Total</b>	<b>4,098</b>	

1.4 Approve the additional partner liabilities for 2025/26 in relation to unavoidable salary pressure.

<b>Council</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000 Excluding NI increases</b>	<b>2025/26 £'000 NI increases</b>
Bromsgrove District Council	3	14	10
Malvern Hills District Council	3	12	9
Redditch Borough Council	4	17	13
Worcester City Council	3	15	11
Wychavon District Council	5	22	17
Wyre Forest District Council	3	14	11
<b>Total</b>	<b>21</b>	<b>94</b>	<b>71</b>

1.5 Approve the additional partner liabilities for 2025/26 in relation to increase in hosting costs.

<b>Council</b>	<b>Increase in Rent £000</b>	<b>Increase in ICT Hosting £000</b>	<b>Increase in Support Hosting £000</b>
Bromsgrove District Council	0.4	0.4	0.6
Malvern Hills District Council	0.4	0.3	0.5
Redditch Borough Council	0.5	0.5	0.7
Worcester City Council	0.4	0.4	0.6
Wychavon District Council	0.6	0.6	0.9
Wyre Forest District Council	0.4	0.4	0.6
<b>Total</b>	<b>2.7</b>	<b>2.6</b>	<b>3.9</b>

1.6 Approve the additional partner liabilities for 2025/26 in relation to additional Technical Officers, including the increase in NI pressure.

<b>Council</b>	<b>Planning Enforcement / Envirocrime £000</b>	<b>Animal Activity Technical Officer £000</b>	<b>Gull Control £000</b>
Bromsgrove District Council	313	10	
Malvern Hills District Council		8	
Redditch Borough Council	169	2	
Worcester City Council		3	40
Wychavon District Council		15	
Wyre Forest District Council		9	
<b>Total</b>	<b>482</b>	<b>47</b>	<b>40</b>

## Introduction/Summary Report

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

This report presents the revenue budget for 2025/26 – 2027/28 in relation to Worcestershire Regulatory Services.

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

- WRS Financial Plan 2025/26 – 2027/28 – Appendix 1
- WRS Partner Contributions Breakdown 2025/26 – 2027/28 – Appendix 2
- WRS Income Budget Breakdown 2025/26 – Appendix 3

### WRS Budgets 2025/26

Appendix 1 shows the 2025-26 – 2027/28 budget breakdown for the district councils' partnership.

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

- The enhanced pay award for 2024/25 as now been accepted by employers and unions, the additional pressure on WRS salaries will be £21k. WRS are not able to fund this increase, therefore an increase in partner funding will be required.

- 3% pay award across all staff for 2025/26, 2% for 2026/27 & 2027/28. 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 £2.6k in 2025/26, a further 3% in 2026/2027 and 2027/2028
- Increase in ICT Hosting of £2.6k, a further 3% in 2026/27 and 2027/28
- Increase in Support Hosting of £3.8k in 2025-26, a further 3% in 2026/27 and 2027-28
- Total partner contribution as included in Appendix 2
- Income projections as included at Appendix 3.
- No inflationary increases in supplies and services or transport.
- Pension back-funding to be paid by all partners.

The unavoidable salary pressures are not able to be met by WRS making additional income, therefore, an increase to partner funding will be required of the below year on year:

<b>Council</b>	<b>24/25 £000</b>	<b>25/26 £000 Excl NI increase</b>	<b>25/26 £000 NI increase</b>	<b>26/27 £000</b>	<b>27/28 £000</b>
Bromsgrove District Council	3	14	10	13	13
Malvern Hills District Council	3	12	9	12	12
Redditch Borough Council	4	17	13	16	16
Worcester City Council	3	15	11	15	14
Wychavon District Council	5	22	17	22	21
Wyre Forest District Council	3	14	11	14	13
<b>Total</b>	<b>21</b>	<b>94</b>	<b>71</b>	<b>92</b>	<b>89</b>

Following the autumn budget, NI costs increased from 13.8% to 15%, also the per-employee threshold at which employers become liable to pay NI reduced to £5k. This has created a pressure of £71k on the salary budget. It is understood that this increase in cost pressures will be covered for local authorities by way of additional new burdens funding, however, in the absence of clarity about how this will be delivered, officers would ask members to approve the budget at this stage and will commit to bringing a further paper bank to the February Board meeting when hopefully

we will have clarity on Government's intentions. This will allow the Board to meet its obligations under the legal agreement to set a budget for the service by 1<sup>st</sup> December, whilst allowing officers time to bring a revised paper in to meet budget setting ahead of 2025/26.

The contract for Rent and ICT support with Wyre Forest states that the increase will be in-line with the RPI for the current year, therefore the actual increase may change in April 25. For 2026/27 and 2027/28 a further 3% has been added to rent, ICT support & hosting support.

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

<b>Council</b>	<b>2025/26 Increase in Rent</b>	<b>2025/26 Increase in ICT Hosting</b>	<b>2025/26 Increase in Support Hosting</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bromsgrove District Council	0.4	0.4	0.6
Malvern Hills District Council	0.4	0.3	0.5
Redditch Borough Council	0.5	0.5	0.7
Worcester City Council	0.4	0.4	0.6
Wychavon District Council	0.6	0.6	0.9
Wyre Forest District Council	0.4	0.4	0.6
<b>Total</b>	<b>2.7</b>	<b>2.6</b>	<b>3.9</b>

In addition to the base budget there are additional technical officers, working on animal activity, gull control & planning enforcement / envirocrime. We are unable to include these officers into the base budget as they are recharged on a different percentage basis to the agreed partner recharge allocations. The figures below include the additional NI pressure of planning & envirocrime £10k, animal activity £1k & gull control £0.4k.

<b>Council</b>	<b>Planning Enforcement / Envirocrime £000</b>	<b>Animal Activity Technical Officer £000</b>	<b>Gull Control £000</b>
Bromsgrove District Council	313	10	
Malvern Hills District Council		8	
Redditch Borough Council	169	2	
Worcester City Council		3	40
Wychavon District Council		15	
Wyre Forest District Council		9	
<b>Total</b>	<b>482</b>	<b>47</b>	<b>40</b>

- Below are the Pension back-funding figures to be paid by partners for 2025/26, the next actuary valuation by Worcestershire County Council will be 2026/27.

<b>Council</b>	<b>Pension Back Funding 2025-26 £000</b>
Bromsgrove District Council	6
Malvern Hills District Council	5
Redditch Borough Council	7
Worcester City Council	7
Wychavon District Council	9
Wyre Forest District Council	6
<b>Total</b>	<b>40</b>

**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