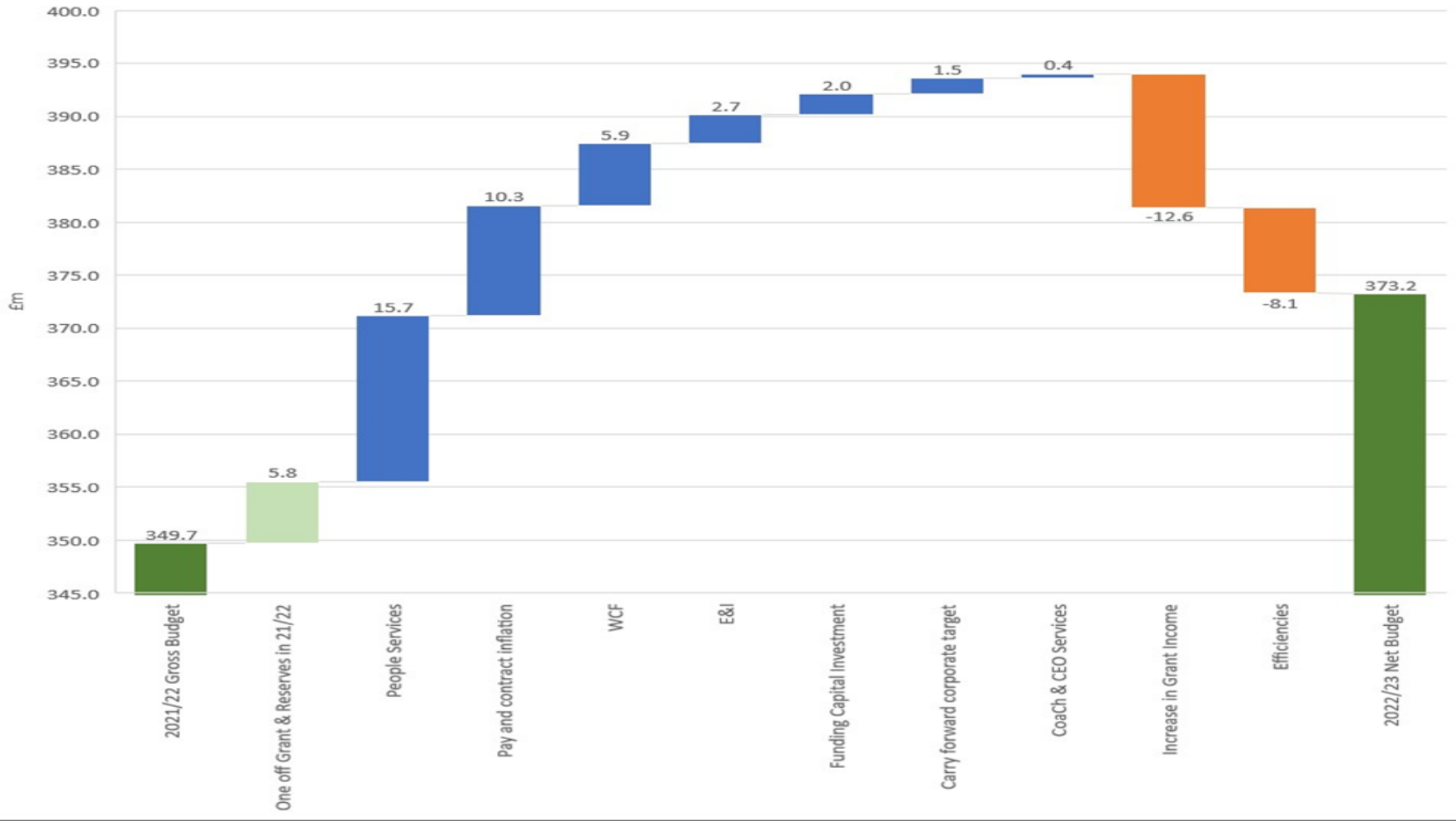


2022/23 Draft Budget for consultation

**Economy & Environment
Overview and Scrutiny Panel
20 January 2022**

2022/23 Investment, Growth & Pressures



Achieving a balanced budget in 2022/23

Proposals include £44.2 million PRESSURES:

| Type of pressure | £ million |
|--|-------------|
| Pay Inflation | 6.2 |
| Contract Inflation | 4.0 |
| Addressing former years use of reserves & grants | 5.8 |
| Net Service demand – see below | 28.2 |
| Total | 44.2 |

- People Services - **£15.7 million**
 - WCF - **£5.9 million**
 - E&I - **£2.7 million**
 - COACH and CEU - **£0.4 million**
 - Corporate - **£3.5 million**
- £28.2 million**

Funding the pressures :

| | £m |
|--|-------------|
| Council Tax / Adult Social Care Levy – (Section 10) | 14.9 |
| Settlement Funding Assessment (Section 6) | 2.5 |
| Provisional Settlement Grant announcements (Section 6) | 12.6 |
| Use of waste (£1.5m) and Covid (£1.2m) reserves (Section 11) | 2.7 |
| Directorate Specific Efficiencies (Section 9) | 3.0 |
| Corporate changes in service income and efficiencies (Section 9) | 5.1 |
| ASC external funding (Section 6) | 3.4 |
| Total | 44.2 |

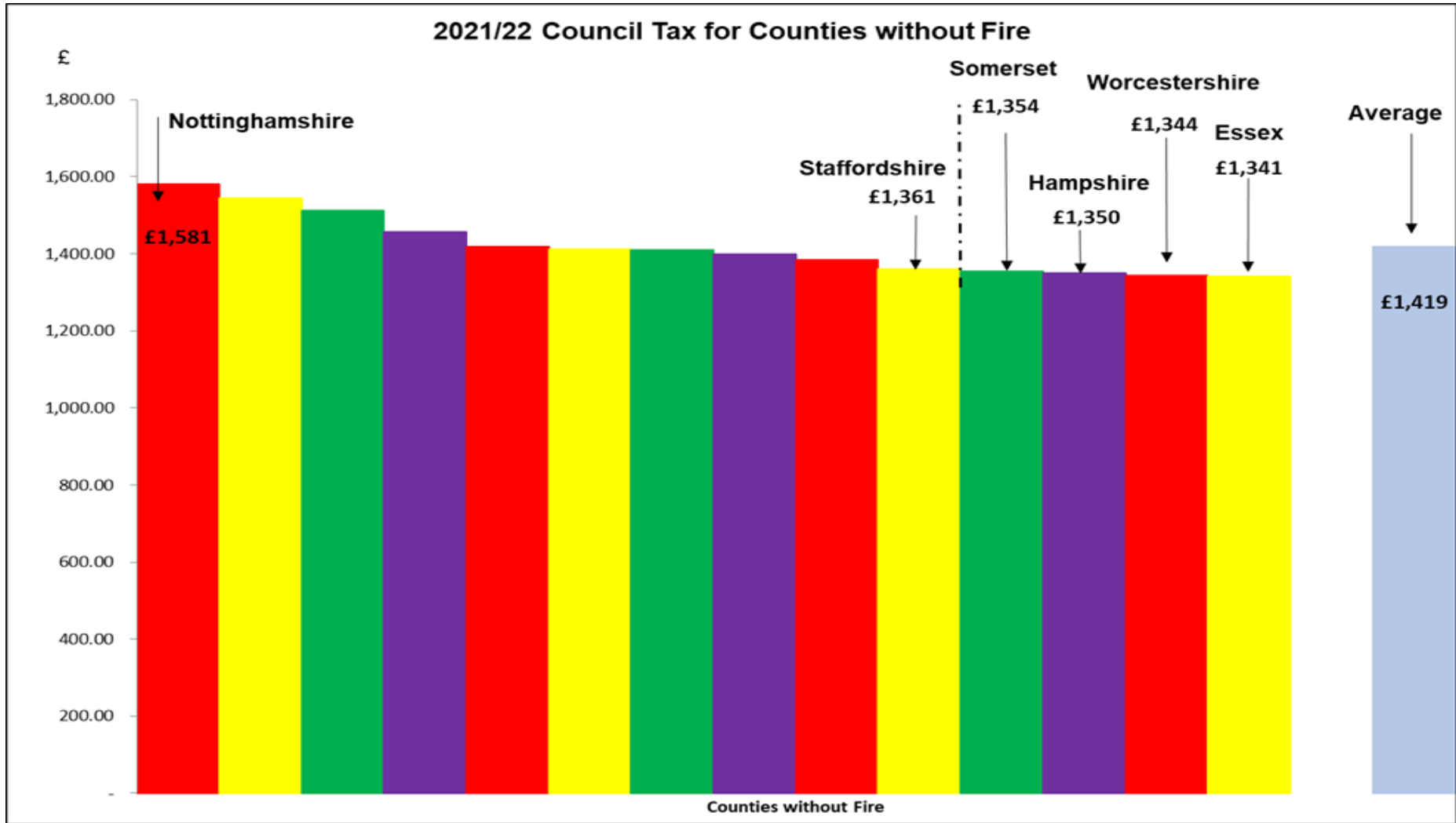
Section numbers relate to the information contained within the Budget Report to Cabinet dated 6 January 2022

2% - ring-fenced for Adult Social Care services carried forward from 2021/22 **PLUS** a further **1%** Adult Social Care Levy for 2022/23 in order to contribute to existing cost pressures due to Worcestershire's ageing population

0.94% - to provide financial support to continue to fund investments in those areas that the public have consistently highlighted as important

An increase of 3.94% which is an average £1 per week for a band D householder

Worcestershire is likely to remain in the lower quartile for level of Council Tax for comparable councils



- ✓ **General Fund - £12.2 million**
 - No plans to add or reduce
 - Section 12 analysis and commentary – Table 19

- ✓ **Earmarked Reserves Forecast - £94 million**
 - In Line with our Corporate Plan priorities
 - Section 12 analysis and commentary – Table 20

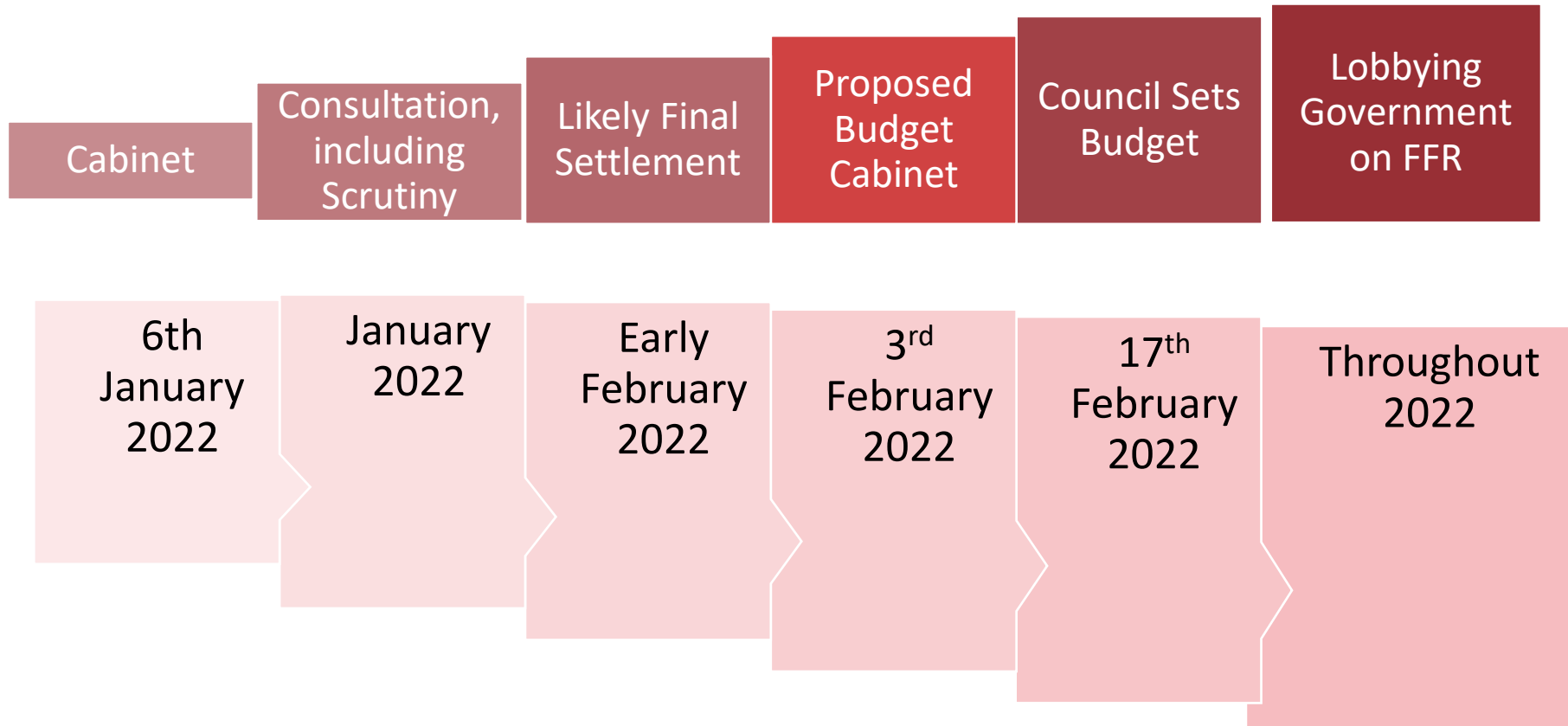
- ✓ **Ring-fenced Reserves Forecast - £10.8 million**
 - For schools and waste
 - Section 12 analysis and commentary – Table 21

Appendix 2 - Detail of Earmarked and Ring-fenced Reserves

Additional investment of **£52.335 million** in 2022/23 and **£41.750 million** in 2023/24 including

- ✓ Highways
- ✓ Footways
- ✓ Rail Investment
- ✓ Street Lighting
- ✓ Vehicle Replacement
- ✓ Impact of Inflation
- ✓ Schools
- ✓ Property
- ✓ IT

Budget Planning Timeline for 2022/23



Summary Net Revenue Investment (1)

- Investment - £2.7m (see slide 11)
- Inflation (pay and contract) and waste growth - £2.635m
- Total investment and inflation of £5.335m

Detail contained within Table 11 Page 28 plus paragraphs 7.11 to 7.14

- Offset by
 - Use of Waste Reserve of £1.545m
 - Savings and Efficiencies of £0.853m from capitalisation of inflationary increases for staff already capitalised, plus increased income relating to driver training and concessionary fares

Detail contained within Table 16 Page 39

- Net Investment of £2.937m

Summary Net Revenue Investment (2)

| Description of pressure | 2022/23 £m |
|---|---------------|
| Increase in Highways Liaison Officers | 0.100 |
| Uplift budget for Parish Lengthsmen | 0.075 |
| More Local Highways Response Team resource | 0.100 |
| Investment in Economy, Regeneration and Skills | 0.100 |
| Extension of contact hours in Highways & Transport control centre | 0.075 |
| Investment in Economy and Sustainability | 0.250 |
| Passenger Transport | 0.600 |
| Street Lighting energy | 0.700 |
| Increase in cost of staffing within Highways Operations and PROW | 0.700 |
| Subtotal Demand and Growth Increase | 2.700 |
| Pay Inflation | 0.626 |
| Contract Inflation and waste growth | 2.009 |
| Total Investments and Inflation | 5.335 |
| Savings and efficiencies | (0.853) |
| One-off funding from waste reserve | (1.545) |
| Net Investment | 2.937 |

E&E Budget – Appendix 1A Page 54

| Service | Changes in Specific Grants | | | | | | | | Net Budget 2022/23 £'000 |
|--------------------------------|----------------------------|-------------------|---------------|--------------------|---------------------|-------------------|-------------|----------------|--------------------------------|
| | Revised Budget | and Other Funding | Pay Inflation | Contract Inflation | Growth (Investment) | Growth (Pressure) | New Savings | Rebase Budgets | |
| | 2020/21 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| E&I | | | | | | | | | |
| Business Management | 975 | 0 | 27 | 2 | 0 | 0 | -29 | 0 | 975 |
| Economy & Sustainability | 374 | 0 | 95 | 52 | 350 | 0 | -128 | 0 | 745 |
| Waste Management | 27,864 | 0 | 20 | 1,545 | 0 | 0 | -20 | 0 | 29,408 |
| Major Projects | 6,461 | 0 | 104 | 4 | 0 | 700 | -28 | 0 | 7,242 |
| Infrastructure Asset Mgmt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operations, Highways and PROW | 6,111 | 0 | 41 | 115 | 975 | 0 | -156 | 0 | 7,087 |
| Passenger Transport Operations | 9,968 | 0 | 239 | 255 | 675 | 0 | -358 | 0 | 10,779 |
| Planning & Regulation | 258 | 0 | 22 | 5 | 0 | 0 | -27 | 0 | 258 |
| Development Management | 29 | 0 | 16 | 5 | 0 | 0 | -21 | 0 | 29 |
| Network Management | 322 | 0 | 63 | 25 | 0 | 0 | -88 | 0 | 321 |
| Total E&I | 52,360 | 0 | 626 | 2,009 | 2,000 | 700 | -853 | 0 | 56,843 |

Summary Additional Capital Investment

£65.5m new and additional Capital Investment for 2022/23 and 2023/24

| | £'m |
|------------------------------------|-------------|
| Highways | 31.0 |
| Footways | 8.0 |
| Rail Investment | 11.0 |
| Street Lighting | 6.0 |
| Vehicles | 1.0 |
| Infrastructure Developments | 1.0 |
| Capitalisation | 2.5 |
| Pressure within Existing Programme | 5.0 |
| TOTAL | 65.5 |

See Tables 13 and 14, and paragraphs 8.4 to 8.13 (Pages 31 – 34)

Proposed Capital Programme for areas within this panel

| Open for Business | YEAR-END OUTTURN 2020/21 | REVISED FORECAST 2021/22 | REVISED FORECAST 2022/23 | REVISED FORECAST 2023/24 and Beyond | REVISED TOTAL FORECAST (incl. outturn 20-21) |
|---|---|---|---|--|---|
| | £000 | £000 | £000 | £000 | £000 |
| - Open for Business (including Economic Game Changer Sites). | 41 | 6,509 | 450 | | 7,000 |
| - QinetiQ Land Purchase | 101 | 1,899 | | | 2,000 |
| - Worcester Technology Park | | 18 | | | 18 |
| - Malvern Hills Science Park Scheme | 121 | 0 | | | 121 |
| - Local Broadband Plan Phase 1 | 1 | 3,809 | | | 3,810 |
| - Local Broadband Plan Phase 3 | 1,788 | 1,598 | | | 3,386 |
| - A4440 WSLR Phase 4 | 17,784 | 20,631 | | | 38,415 |
| - A38 Bromsgrove | 6,121 | 6,188 | | | 12,309 |
| - Kidderminster Churchfields | 2,430 | 55 | | | 2,485 |
| - Pershore Northern Infrastructure (including up to £6.4m from HlIF) | 3,277 | 5,991 | 2,000 | | 11,268 |
| - Capital Skills Programme | 222 | 0 | | | 222 |
| - Southern Link Dualling Phase 3 | 1,147 | 1,968 | | | 3,115 |
| - Southern Link Dualling Phase 3 - Broomhall Way Footbridge | 4,853 | 486 | | | 5,339 |
| - Getting Building Fund - Vale Business Park | 600 | | | | 600 |
| - Getting Building Fund - Low Carbon Housing | | 610 | | | 610 |
| - Getting Building Fund - Construction & Automotive Skills (Kidderminster College) | | 550 | | | 550 |
| - Getting Building Fund - Health, Wellbeing & Inclusive Sport (University of Worcester) | 993 | 2,008 | | | 3,000 |
| - Getting Building Fund - Flood Resilience Tenbury - (Environment Agency) | 144 | 356 | | | 500 |
| - Getting Building Fund - Malvern Technology Park | 445 | 1,405 | | | 1,850 |
| - Getting Building Fund - Redditch Transport Interchange | 231 | 769 | | | 1,000 |
| - Worcestershire Parkway Regional Interchange | 2,182 | 1,387 | | | 3,569 |
| - Kidderminster Rail Station Enhancement | 1,199 | 0 | | | 1,199 |
| - Railway Stations Upgrades / Extra Parking | 204 | 3,917 | 2,000 | 9,000 | 15,121 |
| - Worcester Shrub Hill Industrial Estate | 9,672 | 7,163 | | | 16,835 |
| - Next Generation Economic Game Changer Sites | 156 | 555 | 150 | 200 | 1,061 |
| - Town Centre Improvements: | | | | | |
| - Evesham | 85 | 605 | | | 690 |
| - Redditch | 239 | 234 | | | 473 |
| - Stourport | 17 | 69 | | | 86 |
| - Worcester | 397 | 763 | | | 1,160 |
| - Kidderminster Town Centre Phase 2 | 17 | 0 | | | 17 |
| - Worcester City Centre | 31 | -0 | | | 30 |
| - Malvern Public Realm | | 39 | | | 39 |
| - ERDF Capital Projects | 861 | 2,691 | | | 3,552 |
| TOTAL | 55,358 | 72,275 | 4,600 | 9,200 | 141,433 |

Appendix 1B Page 60

Proposed Capital Programme for areas within this panel

| | OUTTURN 2020/21 | FORECAST 2021/22 | FORECAST 2022/23 | FORECAST 2023/24 and Beyond | TOTAL FORECAST (incl. outturn 20-21) |
|---|--------------------|---------------------|---------------------|-----------------------------------|--|
| The Environment | £000 | £000 | £000 | £000 | £000 |
| Local Transport Plan: | | | | | |
| - Structural Carriageway/Bridgeworks | 33,349 | 30,691 | 12,000 | 12,000 | 88,040 |
| - Integrated Transport | 135 | 3,914 | | | 4,049 |
| - Potential pressures within existing capital programme | | | 5,000 | | 5,000 |
| - Further small infrastructure developments | | | 500 | 500 | 1,000 |
| Major Schemes: Infrastructure | | | | | |
| - Cutting Congestion: | | | | | |
| - A38 / A4104 Staggered Junction Upton | 768 | 5,696 | | | 6,464 |
| - Evesham Town Centre | 48 | 126 | | | 174 |
| - Bromsgrove Town Centre | 36 | 731 | | | 767 |
| - Hoobrook Roundabout, Kidderminster | 1,535 | 2,190 | | | 3,726 |
| - Walking and Cycling Bridges: | | | | | |
| - River Severn - Keepax to Gheluvelt Park | 908 | 3,802 | | | 4,709 |
| - River Severn - Sabrina Bridge refurbishment | 2,144 | 56 | | | 2,200 |
| - Local Members Highways Fund | 1,345 | 1,895 | 1,250 | 1,250 | 5,740 |
| - Road Safety Improvements | | 553 | | | 553 |
| - Traffic Signals Grant | | 500 | | | 500 |
| - Public Sector Decarbonisation | 7 | 879 | | | 886 |
| - South Littleton to Blackminster Cycleway | | 101 | | | 101 |
| - Hampton Bridge | 61 | 1,000 | 3,260 | | 4,321 |
| - Walk Cycle Route to Worc Parkway | 77 | 13 | | | 90 |
| - Green Deal Communities | | 3 | | | 3 |
| - Investment Initiatives to Support Business and /or Green Technology | | 1,323 | | | 1,323 |
| - Energy Efficiency - Spend to Save | | 462 | | | 462 |
| - Warm Homes Fund | 51 | 379 | 23 | | 453 |
| - Eastham Bridge | | 18 | | | 18 |
| - Pavement Improvement Programme | 2,232 | 5,815 | 4,000 | 4,000 | 16,047 |
| - Cutting Congestion Programme | 3,095 | 3,567 | | | 6,662 |
| - Highway Flood Mitigation Measures | 90 | 2,994 | 1,000 | 1,000 | 5,084 |
| - Bewdley Flood Mitigation Measures | | 500 | | | 500 |
| - Worcester Transport Strategy | 6 | 437 | | | 443 |
| - Hoobrook Link Road - Pinch Points | 2 | 25 | | | 27 |
| - Public Rights of Way | 283 | 1,167 | | | 1,450 |
| - Worcester Woods Paths Project | 31 | | | | 31 |
| - Zebra Crossings Package | 396 | 183 | | | 579 |
| - Covid 19 Emergency Active Travel Fund | 64 | 552 | | | 616 |
| - Highways Capital Maintenance Costs | | 2,000 | 3,500 | 1,000 | 6,500 |
| - Highways Strategic Investment Fund | 993 | 334 | 2,620 | | 3,947 |
| - Completion of Residual Schemes | -202 | 224 | | | 22 |
| - Vehicle Replacement Programme | 1,391 | 313 | 1,000 | | 2,704 |
| - Street Lightig LED and Concrete Replacement Programme | 2,232 | 4,935 | 3,000 | 3,000 | 13,168 |
| TOTAL | 51,076 | 77,378 | 37,153 | 22,750 | 188,357 |

Appendix 1B Page 61