

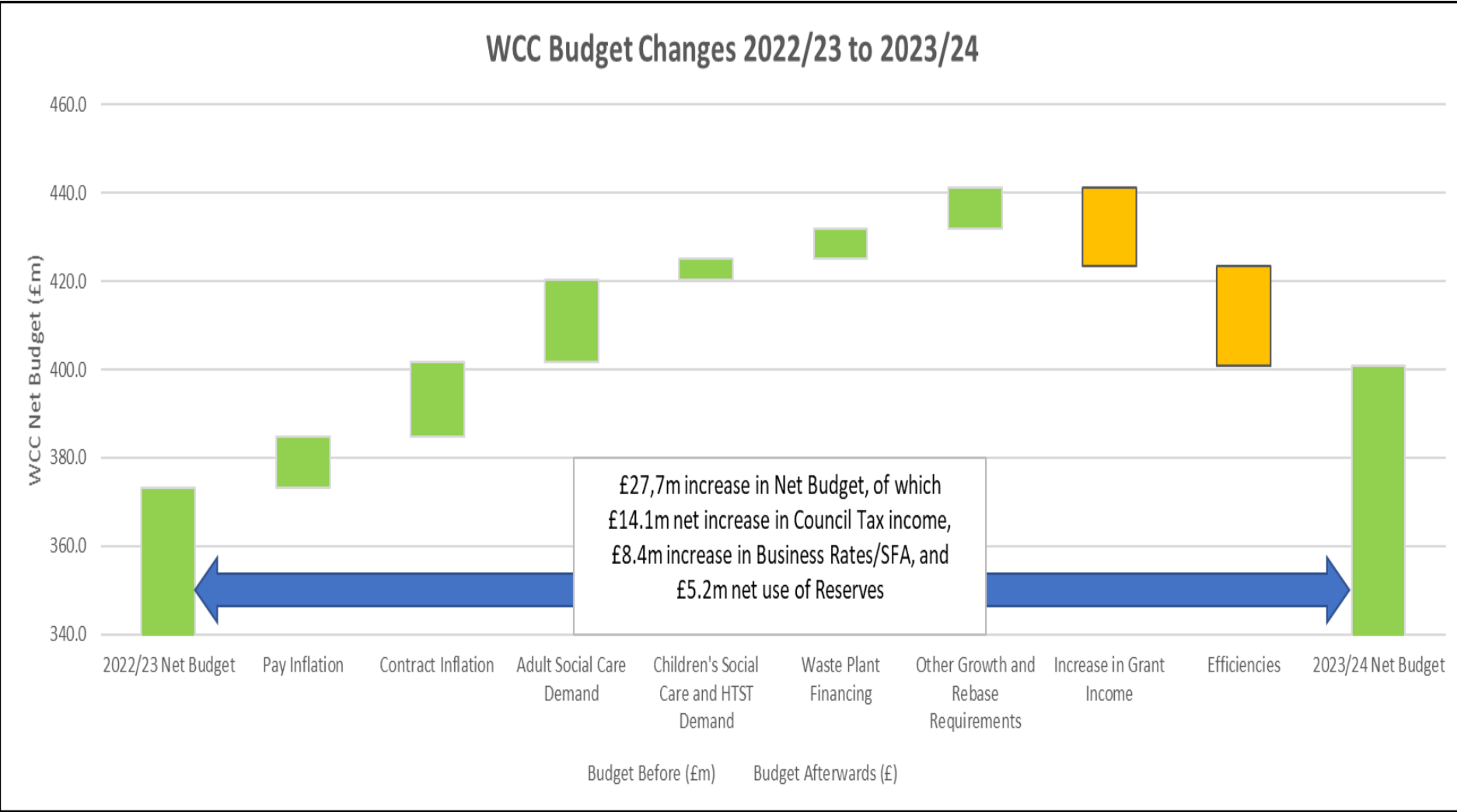
2023/24 Draft Budget for consultation

**Environment Overview and Scrutiny
Panel**

18th January 2023

- Budget Report to Cabinet on 5 January 2023 summarises the financial position for Council and each of the service areas.
- Local Government Settlement announced on 19 December was a one-year settlement, however funding contains net additional grant funding of £26.3m which is extremely welcome.
 - Core spending power increased to upper tier Authorities to recognise significant demand pressures which included an increase to our Settlement Funding assessment by £8.4m.
 - Further funding of £19.5m to recognise significant pressures within Adults and Children's Social Care.
 - Reduction in new homes bonus of £1.1m and £0.5m in Services Grant.
 - Policy statement suggests core funding grants will increase by inflation in 2024/25.
- Funding Review anticipated for 2025/26
- Proposed Council Tax increase of 2.94%, plus a 2% Adult Social Care Levy - Total 4.94%

Overall Change 2022/23 – 2023/24



Budget Pressures	£m
Pay Inflation as set nationally	11.6
Contract Inflation	17.0
Rebase budget and Waste Financing	8.7
Service demand – see below	30.6
Total	67.9

- People Services - **£18.5m**
 - WCF - **£4.9m**
 - E&I - **£0.9m**
 - COACH - **£0.8m**
 - Capital Programme - **£5.5m**
- £30.6m**

Provisional Budget 2023/24	£m
Investment and Pressures to Fund	67.9
<i>Funded From:</i>	
Government Funding - Section 6	-26.3
Council Tax - Section 10	-14.0
Increase in use of Earmarked Reserves Above MTFP - Section 8	-5.2
Savings and Efficiencies Required - Section 7	-22.4

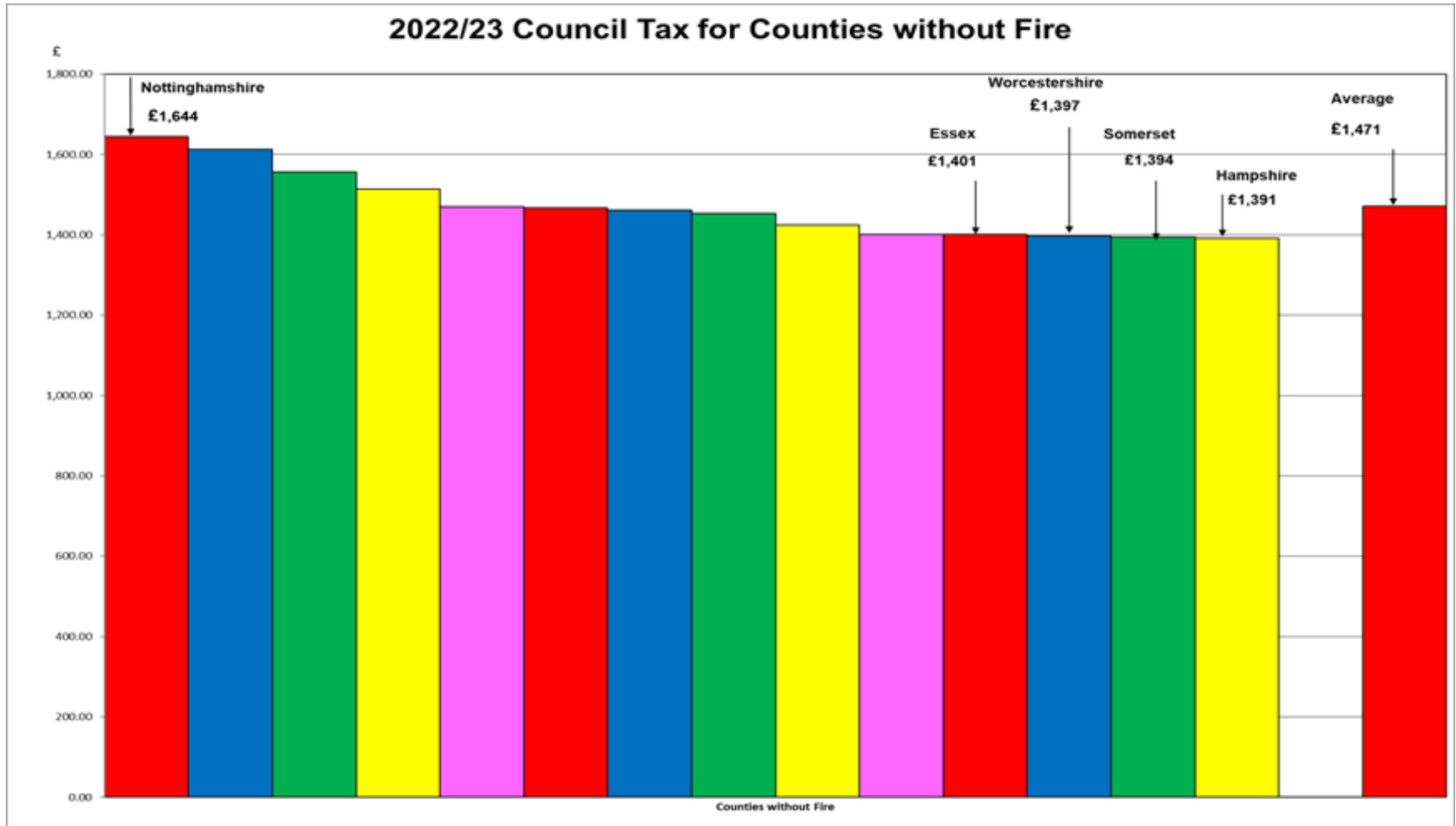
Section numbers relate to the information contained within the Budget Report to Cabinet dated 5 January 2023.

2% Adult Social Care Levy for 2023/24 in order to contribute to existing cost pressures due to Worcestershire's ageing population.

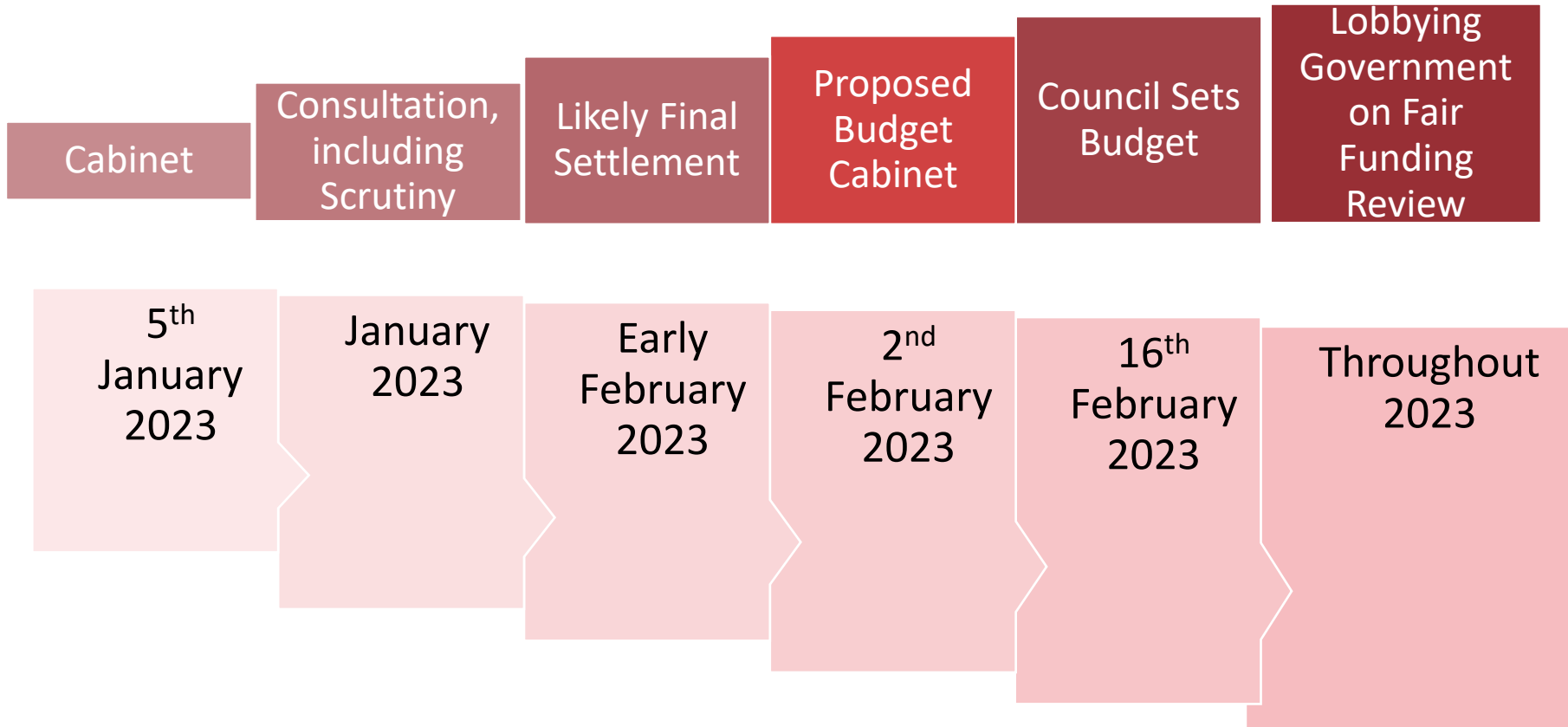
2.94% - to provide financial support to continue to fund investments in those areas that the public have consistently highlighted as important.

An increase of 4.94% which is an average £1.33 per week for a Band D householder.

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



Budget Planning Timeline for 2023/24



Specific 2023/24 budget information

Areas within remit of Environment Panel

Summary Net Revenue Investment (1)

- £500k revenue increase to maintain highways and tree pruning ([paragraph 4.5](#))
- £434k increase relating to waste demand ([Table 11](#))
- Pay Inflation - £519k
- Contract inflation including waste - £3.631m
- Rebase budgets to reflect full cost of Waste PFI Financing and remove use of one-off funding - £7.4m ([Table 1](#))

Total investment and inflation of £12.5m

Summary Net Revenue Investment (2)

Offset by

- £567k Income generation from increases in fees and charges for streetworks ([Appendix 3](#))
- Proportion of savings related to vacancy management - £414k
- Total reductions = £981k

There has also been a transfer of services from Highways and PROW to areas within the Economy Panel - £120k

Overall there has been a net investment of £11.4m

Environment Revenue Budget – Extract of Appendix 1

SERVICE	Revised Budget 2022/23	Directorate Virements	Changes in Grants & Funding	Pay Inflation	Contract Inflation	Growth (Investment)	Growth (Demand)	Savings	Rebase Budgets	Net Budget 2023/24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Environment										
Road Lighting	4,736	0	0	21	1,063	0	0	-14	0	5,807
Waste Management	29,408	0	0	36	1,567	0	434	-22	7,408	38,831
Development Management	29	0	0	51	34	0	0	-33	0	81
Network Management	91	0	0	153	63	0	0	-701	0	-394
Highways Operations & PROW	8,103	-120	0	258	904	500	0	-211	0	9,434
	42,367	-120	0	519	3,631	500	434	-981	7,408	53,759

Capital Investment

- Currently approved programme for the Environment of £174m alongside £104m for Open for Business ([Appendix 2](#))
- Investment of £5.5m in the overall programme to ensure cost of inflation does not affect deliverability ([para 2.2](#)) including £2.5m relating to highways and footways ([para 2.12 and 5.2](#))

Proposed Capital Programme for areas within this panel -1

The Environment	Revised Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast
	£000	£000	£000	£000	£000
Structural Carriageway / Bridgeworks Programme	90,941	35,341	33,800	21,800	90,941
Pavement Improvement Programme	12,273	4,273	4,000	4,000	12,273
Integrated Transport Block	9,562	5,416	2,073	2,073	9,562
Highway Flood Mitigation Measures	3,773	1,773	1,000	1,000	3,773
Toronto Close EA Flood Alleviation scheme	758	758	0	0	758
Natural Networks (Love Your River)	867	867	0	0	867
Street Column Replacement Programme	2,664	1,800	864	0	2,664
Street Lighting LED conversions	6,000	4,800	1,200	0	6,000
Public Rights of Way	52	52	0	0	52
Public Rights of Way - Project Funding	564	564	0	0	564
Local Members Highways Fund	5,011	1,250	1,261	2,500	5,011
Traffic Signals Maintenance Specific Grant	493	493	0	0	493
Infrastructure and Highways Spend - Capitalised Revenue	4,500	2,000	2,000	500	4,500
Small Works Package	379	79	150	150	379
South Littleton to Blackminster Cycleway / pedestrian scheme.	191	191	0	0	191
Walking and Cycling - Kepax Bridge	13,524	7,016	6,508	0	13,524
Walking and Cycling - Sabrina Bridge	56	56	0	0	56

Appendix 2

Proposed Capital Programme for areas within this panel -2

The Environment	Revised Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast
	£000	£000	£000	£000	£000
Hampton Bridge, Evesham	11,900	1,000	500	10,400	11,900
Hoobrook Link Road - Pinch Points	1	1	0	0	1
Cutting Congestion Programme	1,104	1,104	0	0	1,104
Cutting Congestion Worcester NPIF	44	44	0	0	44
Cutting Congestion Bromsgrove NPIF	216	216	0	0	216
Cutting Congestion - A456 Stourport Road Junction	480	480	0	0	480
Cutting Congestion - A38 Upton crossroads Proposed	4,037	4,037	0	0	4,037
Cutting Congestion - Bromsgrove Town Junction eff	280	280	0	0	280
Road Safety Improvements	1,339	539	400	400	1,339
Traffic Management Capital - formerly revenue funded.	21	21	0	0	21
Covid19 Emergency Active Travel Fund	79	79	0	0	79
Highways Strategic Investment Fund	100	100	0	0	100
Worcester Transport Strategy	279	279	0	0	279
Green Deal Communities	3	3	0	0	3
Investment Initiatives to Support Business and /or Green Technology	323	223	100	0	323
Energy Efficiency Spend to Save	462	231	231	0	462
Business Energy Efficiency Programme - 2	450	450	0	0	450
Warm Homes Fund	56	56	0	0	56
Public Sector Decarbonisation	554	554	0	0	554
Vehicle Replacement Programme	1,109	100	1,009	0	1,109
TOTAL	174,444	76,525	55,096	42,823	174,444

Appendix 2