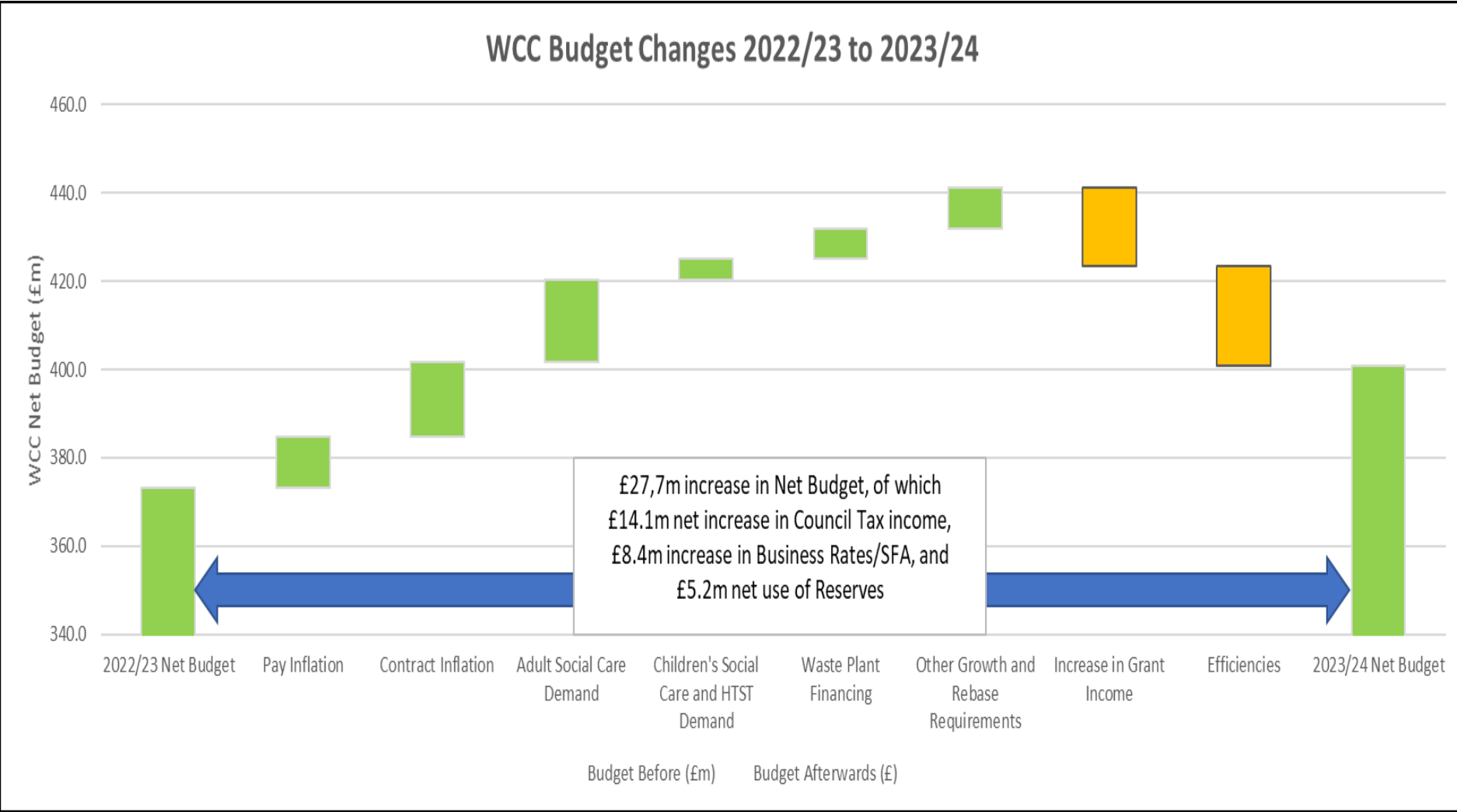


2023/24 Draft Budget for consultation

**Corporate and Communities
Overview and Scrutiny Panel
19th 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

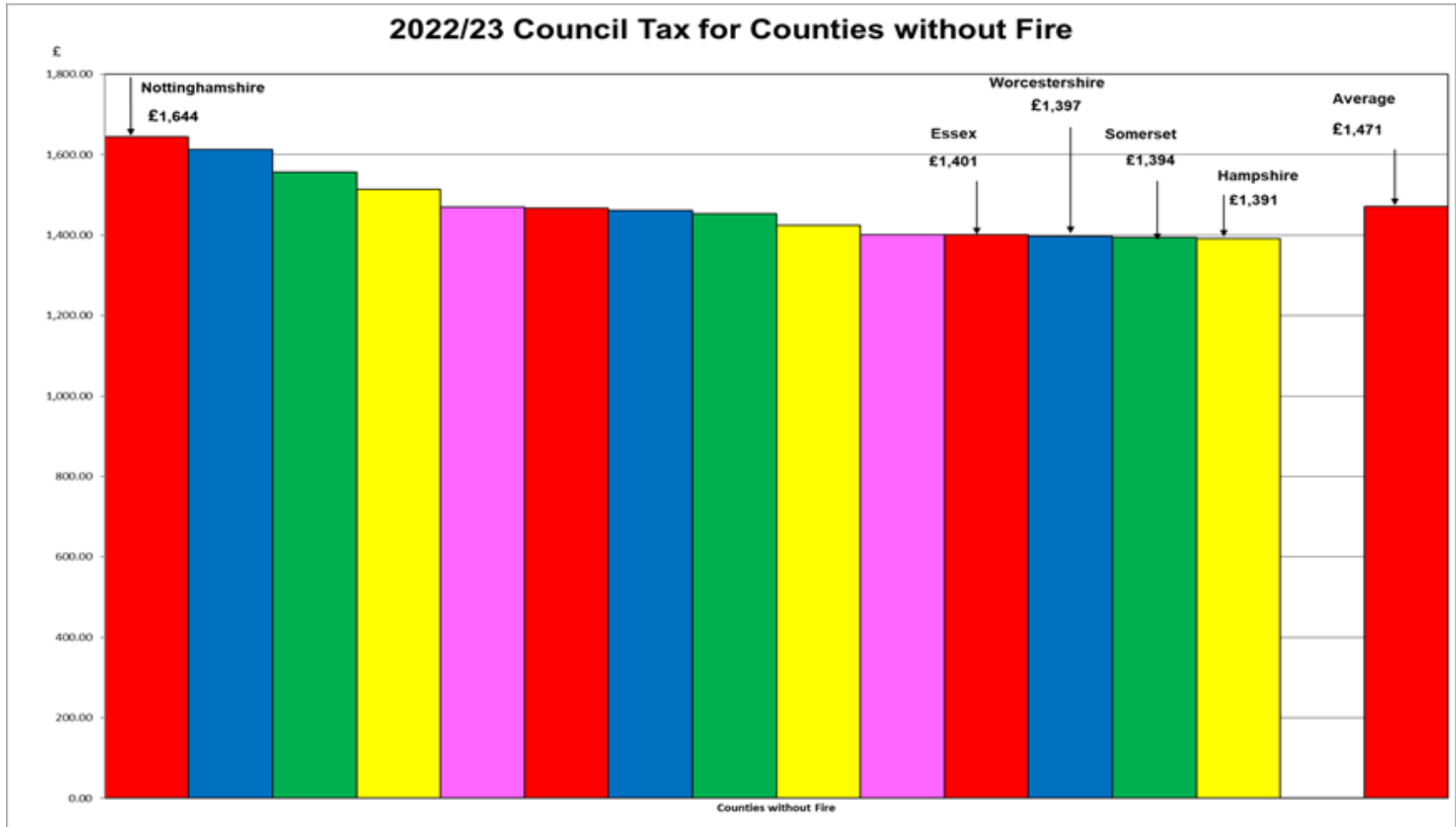
Section numbers relate to the information contained within the Budget Report to Cabinet dated 5 January 2023.

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

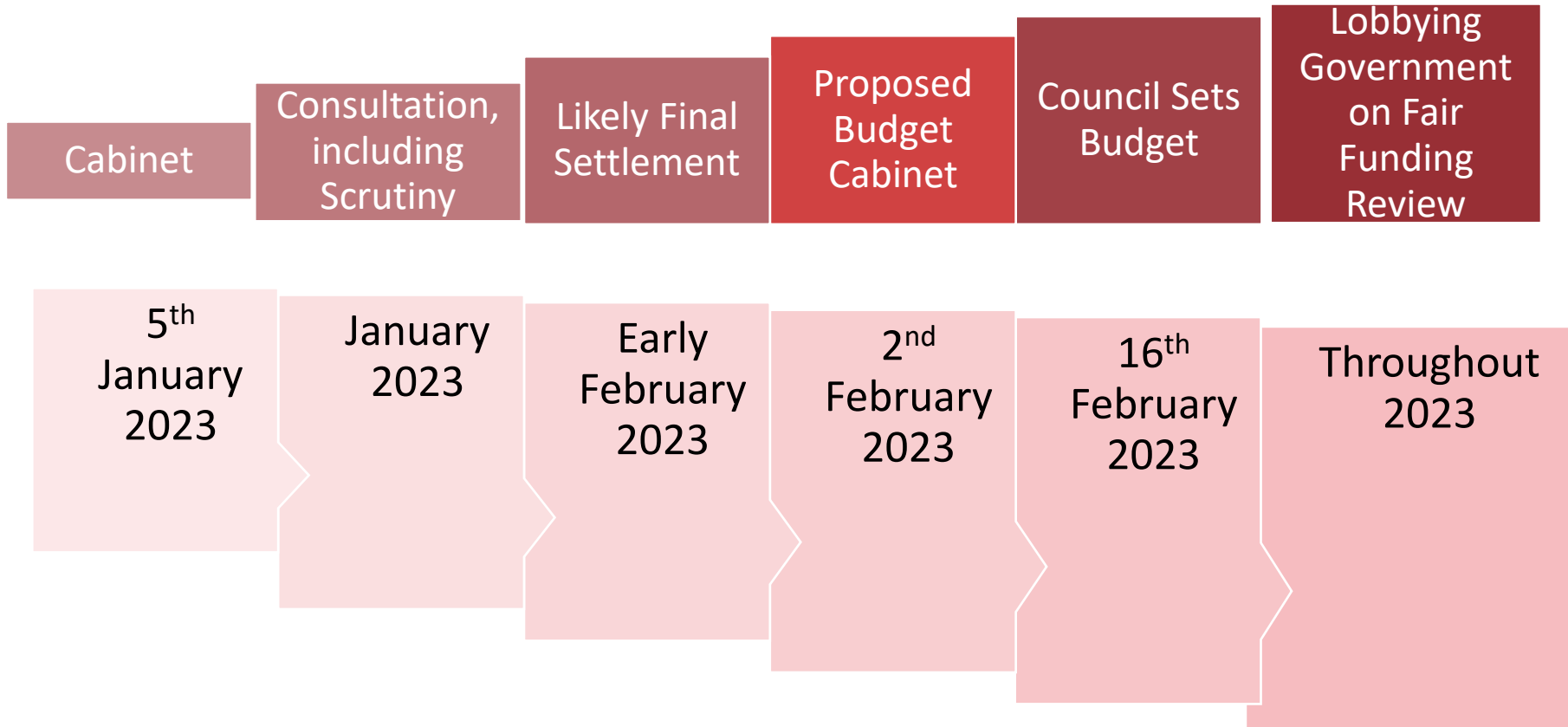
2.94% - to provide financial support to continue to fund investments in those areas that the public have consistently highlighted as important.

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 Corporate and Communities Panel

Revenue Investment – Corporate Areas

- £0.5m revenue increase to support legal services with the continued demand relating to child-care cases ([paragraph 4.22](#))
- £0.6m rebase to continue to fund Transformation and Change Team following changes in capitalisation rules ([paragraph 4.25](#))
- £0.13m rebase to fund the increase in statutory enquiries ([paragraph 4.26](#))
- £0.5m rebase within Finance to fund increases in external audit fees and an investment in debt collection services ([paragraph 4.26](#))
- Investment of £5.5m in the budget to fund borrowing for the capital programme ([para 2.2](#))
- Pay Inflation - £1.2m for COACH, £0.4m for CEU and £0.5m for Finance
- Contract inflation - £1.4m for COACH and £0.1m for CEU

Total investment and inflation of c£10.8m

Revenue Savings, Efficiencies and Income Generation

Details of all savings proposals are shown in [Appendix 3](#)

- £800k - maximise income generation across the County Hall Campus
- £705k savings in finance due to retirements, increase in income and contract reductions
- £517k full year effect of savings delivered in 2022/23 in COACH
- £366k Software Savings in ICT
- £184k savings in HR relating to vacancy management and redesign
- £150k savings in property management posts
- £30k relating to efficiencies in stationery purchasing
- £100k saving in purchase of Christmas Leave
- Saving on pension liabilities ([para 7.5](#))
- Proportion of savings related to vacancy management ([para 7.6](#))
- **Total reductions = £8.6m**

Overall, there has been a net investment of £2.2m

COACH & CEU Revenue Budget – Extract of Appendix 1

SERVICE	Revised Budget 2022/23 £000	Directorate Virements £000	Changes in Grants & Funding £000	Pay Inflation £000	Contract Inflation £000	Growth (Investment) £000	Growth (Demand) £000	Savings £000	Rebase Budgets £000	Net Budget 2023/24 £000
COaCH										
COaCH Management	334	3	0	7	23	0	0	-41	0	325
Legal & Democratic Services	2,500	88	0	229	111	0	500	-145	0	3,283
Commercial, Management Information & Consumer Relations	2,447	-108	0	287	0	0	0	-438	0	2,189
Property Services	4,943	0	0	221	1,124	0	0	-1,095	0	5,193
Digital, IT and Customer Services	5,143	0	0	422	145	0	0	-652	130	5,188
Programme Office	-41	0	0	18	0	0	0	-236	591	333
	15,326	-17	0	1,184	1,402	0	500	-2,607	721	16,510

SERVICE	Revised Budget 2022/23 £000	Directorate Virements £000	Changes in Grants & Funding £000	Pay Inflation £000	Contract Inflation £000	Growth (Investment) £000	Growth (Demand) £000	Savings £000	Rebase Budgets £000	Net Budget 2023/24 £000
CHIEF EXECUTIVE										
Engagement & Communications	453	-15	0	92	1	0	0	-99	0	432
Health and Safety	116	0	0	24	11	0	0	-13	0	138
HR, OD & Engagement	2,463	27	0	329	100	0	0	-318	0	2,601
Chief Executive	279	5	0	9	1	0	0	-13	0	280
	3,311	17	0	453	112	0	0	-442	0	3,451

Corporate Services 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
FINANCE & CORPORATE										
Financial Services	3,861	0	0	474	7	0	0	-715	519	4,146
Financing Transactions	19,678	0	0	0	0	3,150	0	0	0	22,828
MRP	11,098	0	0	0	0	2,350	0	-200	0	13,248
Contributions & Precepts	267	0	0	0	0	0	0	0	0	267
Pension Fund Backfunding	4,464	0	0	0	0	0	0	-4,464	0	0
Misc. Whole Org. Services	668	0	0	0	0	0	0	-150	2	520
New Homes Bonus Grant Income	-1,513	0	1,130	0	0	0	0	0	0	-383
COVID-19	0	0	0	0	0	0	0	0	0	0
Whole Organisation - Contingency	0	0	0	0	0	0	0	0	0	0
Total Finance & Corporate	38,523	0	1,130	474	7	5,500	0	-5,529	521	40,625

Revenue Net Investment – Communities

- Investment of **£2m** in Pay Inflation (£1.3m) and Contract inflation (£661k)

Offset by savings totalling **£1.64m**

- £225k - Roll out the Libraries Unlocked technology across a wider group of Libraries
- £169k - Full year effect of 22/23 savings from review of all budgets
- £113k - Eligible use of Public Health Ring-fenced Grant to maximise the role of arts
- £50k - Additional income generation relating to ceremonies
- Proportion of savings related to vacancy management (**para 7.6**)
- Rebase of budgets in Archives and Skills to demonstrate additional income to fund inflation

Net investment of c£0.3m

Communities 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
Communities										
Strategic Libraries	2,833	0	0	290	420	0	0	-475	0	3,068
Museum Services	574	0	0	27	48	0	0	-17	0	631
Archives & Archaeology	1,341	0	0	179	12	0	0	-92	-96	1,345
Greenspace & Gypsy Services	110	0	0	90	34	0	0	-53	0	181
Community Services Leadership T	332	0	0	5	0	0	0	-164	0	173
Skills & Inv inc. Adult Learning	134	0	0	269	28	0	0	-126	-254	51
Severn Arts Music	0	0	0	0	0	0	0	0	0	0
SENDIASS	31	0	0	19	0	0	0	-12	0	38
Chs Comm & Partnership	684	0	0	113	0	0	0	-55	0	741
Buildings & Pension (Chs)	120	0	0	3	92	0	0	-21	0	193
Children's S75	2,096	0	0	0	4	0	0	0	0	2,100
Registration & Coroner	394	0	0	103	21	0	0	-117	0	401
Public Analyst & Scientific Ad	2	-2	0	0	0	0	0	0	0	0
Trading Standards	50	2	0	88	2	0	0	-27	0	115
Public Health Grant Funded Service	0	0	0	130	0	0	0	-130	0	0
	8,702	0	0	1,315	661	0	0	-1,290	-350	9,038

Capital Investment

- Currently approved programme for Efficiency and Transformation of £17.8m alongside £3.5m for Health & Well-being which covers spend on Libraries and other Community related expenditure ([Appendix 2](#))
- Includes additional investment into Repair and Maintenance Property Costs as well as Digital Transformation and other Technology costs

Proposed Capital Programme for Efficiency & Transformation

Efficiency and Transformation	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast
	£000	£000	£000	£000
Repair and Maintenance - Property Costs	2,215	2,101	1,500	5,816
Emergency Contingency Element	100	110	254	464
Brownfield Land Release Grant - Kidderminster	400	0	0	400
Future Technology Transformation Programme	2,401	1,832	2,628	6,861
Digital Transformation	578	518	745	1,841
Non Programme IT capital purchases	250	250	500	1,000
Councillor ICT Hardware	10	10	67	87
Corporate Information Governance Paper Audit	205	0	0	205
WCF Tech Roadmap	175	150	230	555
Social Care Performance IT Enhancement	563	0	0	563
	6,897	4,971	5,924	17,792

Appendix 2

Proposed Capital Programme for Health & Well-being

Health and Well-Being	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast
	£000	£000	£000	£000
- Capital Investment in Community Capacity/ Specialised Housing	2,503			2,503
- Worcester Library and History Centre (Non - PFI capital costs)	122			122
- Redditch Library	119			119
- Kidderminster Library	78			78
Composite Sums:				
- Libraries Minor Works	378			378
- Adult Services Minor Works	275			275
	3,475	0	0	3,475

Appendix 2