

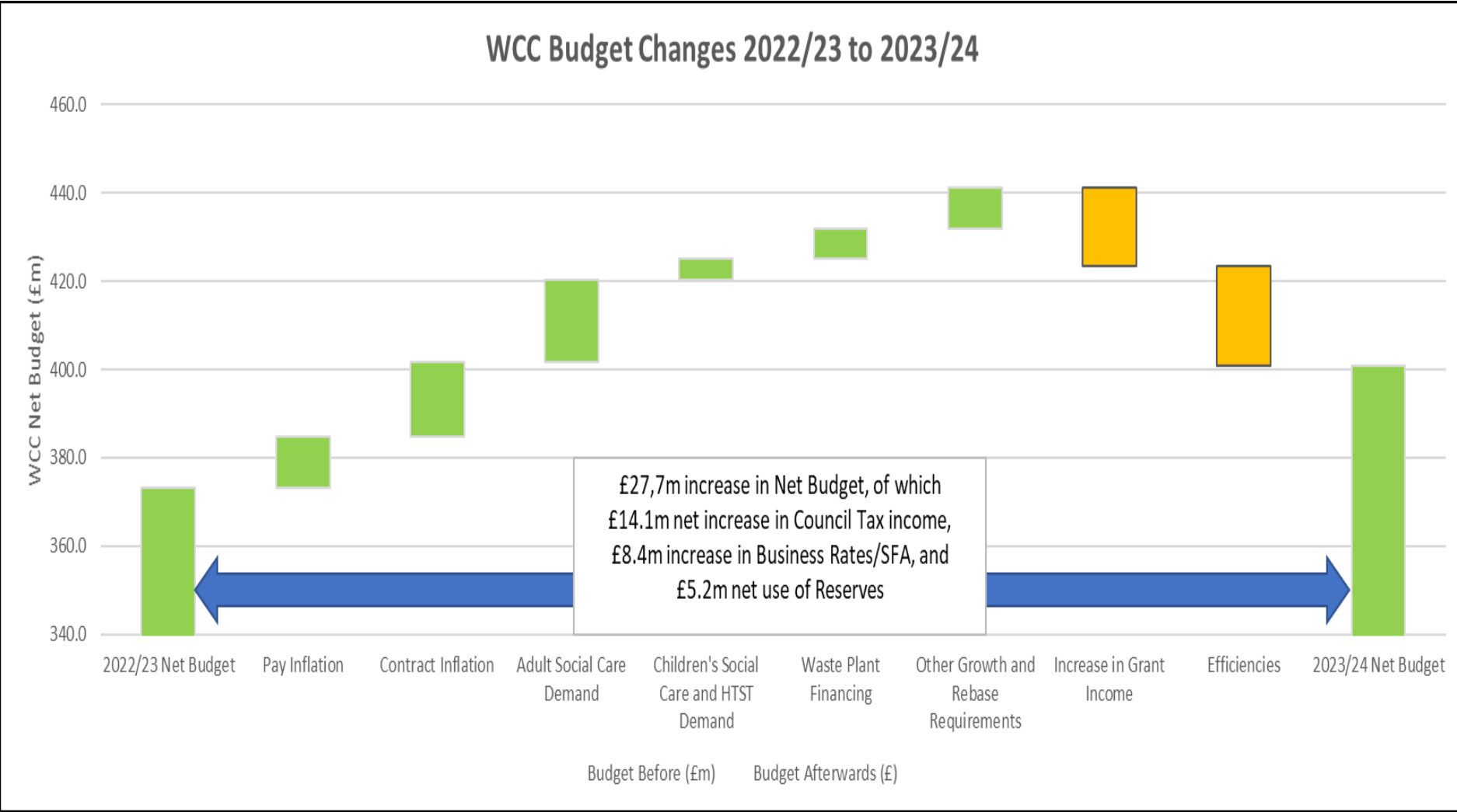
2023/24 Draft Budget for consultation

Economy Overview and Scrutiny Panel

20 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

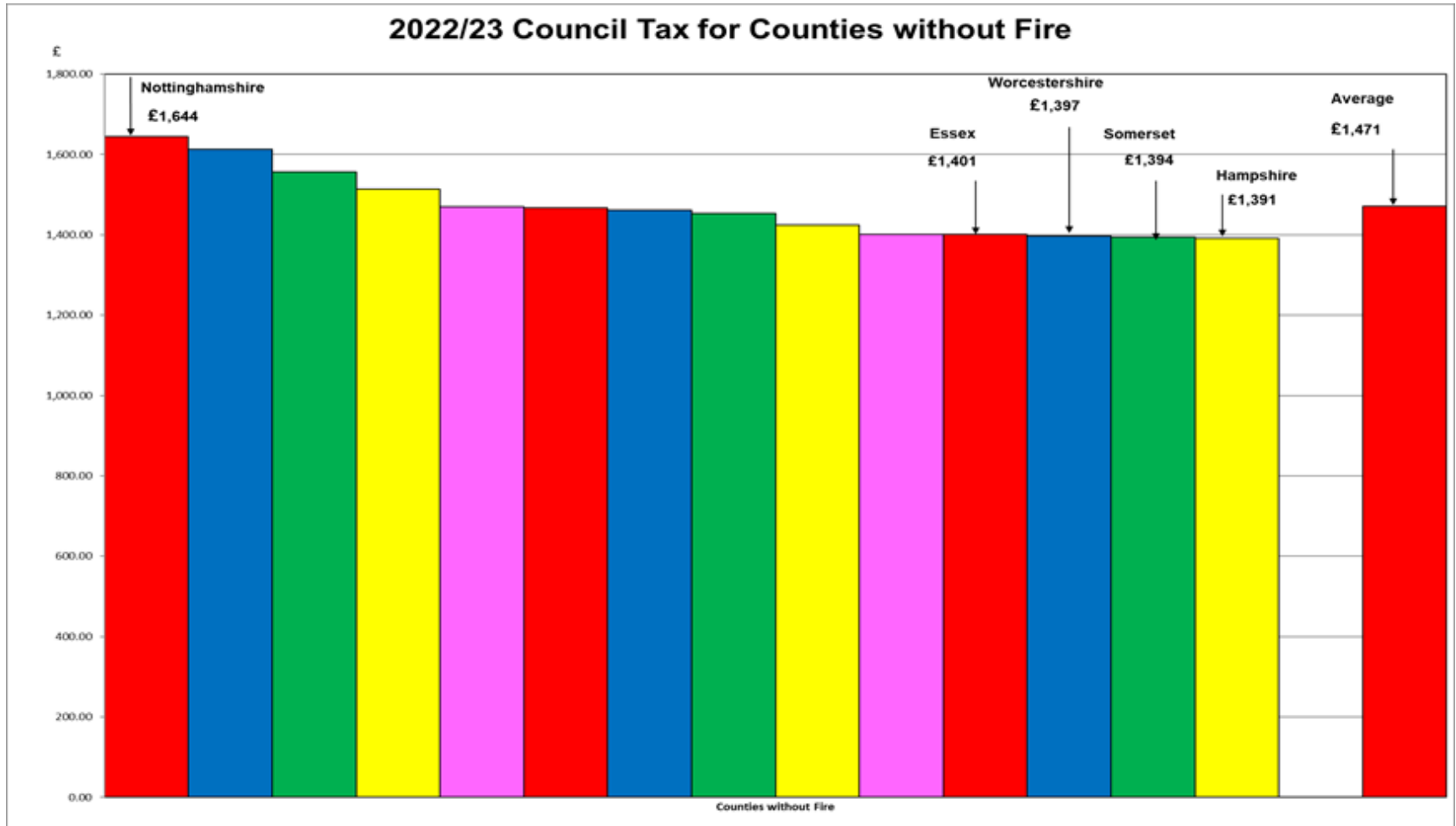
Section numbers relate to the information contained within the Budget Report to Cabinet dated 5 January 2023.

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

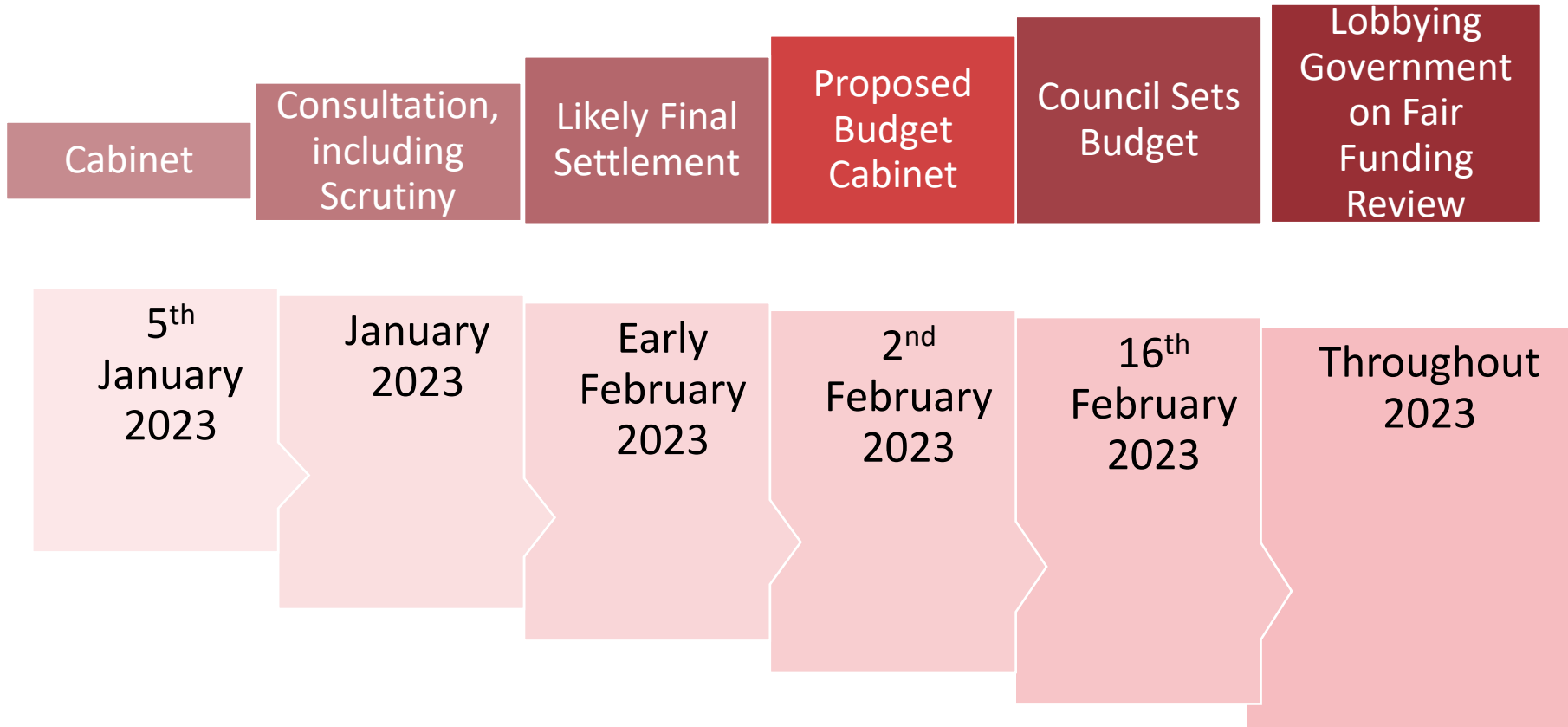
2.94% - to provide financial support to continue to fund investments in those areas that the public have consistently highlighted as important.

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 the Economy Panel

Summary Net Revenue Investment (1)

- £253k revenue increase due to the reduction in income generation abilities within traded areas (paragraph 4.27)
- Pay Inflation - £781k
- Contract inflation including transport - £690k

Total investment and inflation of £1.7m

Offset by a proportion of savings related to vacancy management - £419k

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 £1.4m

Economy 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
Economy										
Business Management	724	93	0	38	0	0	0	-28	0	827
Economy & Sustainability	1,023	-100	0	111	29	0	0	-141	0	922
Major Projects	1,056	0	0	109	16	253	0	-105	0	1,330
Infrastructure & Contracts	1,139	0	0	30	62	0	0	-8	0	1,224
Passenger Transport Operations	9,686	0	0	384	580	0	0	-64	0	10,586
Planning & Regulation	342	127	0	110	2	0	0	-73	0	508
	13,971	120	0	781	690	253	0	-419	0	15,397

Capital Investment

- Currently approved programme for Open for Business of £104m alongside £174m for the Environment ([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

Open For Business	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast
	£000	£000	£000	£000
Open for Business	3,742	2,500	0	6,242
Railway Station Upgrades	671	2,364	200	3,235
Worcester to Malvern Active Travel Corridor (ATC)	50	100	0	150
Infrastructure Improvements	400	600	500	1,500
A44 Crown East Roundabout	64	0	0	64
Southern Link Dualling Phase 3 a,b & c	1,373	0	0	1,373
Broomhall Way Footbridge	105	100	0	205
Worcester Southern Link Road dualling Phase 4	14,463	0	0	14,463
Kidderminster Rail Station Enhancement	129	0	0	129
Pershore Infrastructure Improvements	3,900	0	0	3,900
Rantan Roundabout Study	50	50	97	197
Evesham Transport	2	0	0	2
Churchfields Kidderminster	5	0	0	5
Public Realm - Worcester Future High Street Fund	919	0	0	919
Public Realm - Malvern Town Centre	39	0	0	39
Public Realm - Redditch Phase 3	105	0	0	105

Appendix 2

Proposed Capital Programme for areas within this panel -2

Open For Business	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast
	£000	£000	£000	£000
Vehicle Purchase	10	0	0	10
Local Broadband Plan Phase 1	809	2,500	0	3,309
Local Broadband Plan Phase 3	961	0	0	961
Malvern Technology Park	1,515	0	1,104	2,619
Construction & Automotive Skills Centre	423	0	0	423
Redditch Rail Quarter	531	2,870	11,637	15,038
Worcester Parkway Regional Interchange	813	0	0	813
Worcestershire Parkway (WLEP match funding walk/cycle route)	60	0	0	60
Rail Investment Strategy	75	200	228	503
Worcester Shrub Hill Industrial estate	165	0	0	165
Shrub Hill Quarter Brownfield Land Fund - Shrub Hill	255	709	0	964
Shrub Hill Quarter Worcester City Towns Fund	39	0	0	39
Shrub Hill Quarter - Station Frontage	1,235	0	565	1,800
A38 Bromsgrove Phase 1	127	0	0	127
A38 Bromsgrove Phases 2 to 6	1,573	17,863	24,303	43,739
Start Up & High Growth Start Up	50	67	0	117
SME Growth Programme	200	373	0	573
TOTAL	34,857	30,296	38,633	103,787

Appendix 2