



Report to: Environment Committee, 2 November 2021

Report of: Corporate Director – Finance and Resources

Subject: SETTING OF THE BUDGET FOR 2022/23 AND MTFP TO 2026/27

1. Recommendation

- 1.1 That the Committee note the Budgets for the various services identified for 2021/22;**
- 1.2 That the Committee note the progress made in delivering the projects included in the City Plan and City Delivery Fund that are relevant to this Committee and confirms the programme of work resourced.**

2. Background

- 2.1 The summary budgets for 2021/22 were approved by Full Council on 23 February 2021 and published in the annual Budget Book. These have subsequently been updated to reflect the changes arising from the Voluntary Redundancy programme and the recent management restructure.
- 2.2 The transition of the budgets from 2019/20 through to 2021/22 and the detailed budgets for each of the Council's services covering both income and expenditure is shown in **Appendix 1**.
- 2.3 The Council also produces a Medium Term Financial Plan (MTFP) for the next 5 years setting out the high level pressures and opportunities that are likely to need to be addressed. Revenue and capital spending decisions made during each budget cycle feed into the MTFP and determine the level of reserves that the Council needs to ensure that services can be sustained in future.

3. Review of Service Budgets

- 3.1 Members are asked to review the existing budget for each service and consider whether it remains appropriate for the required level of service delivery.
- 3.2 The budget approved by Council at the meeting on 23 February 2021 included a new Income and Efficiency Plan for 2021-2025. The progress made in 2021/22 on items relevant to this committee, and the items identified for the forthcoming years, are set out in **Appendix 2**.
- 3.3 Members are invited to submit suggestions of potential service improvements that could be included in the services' Income and Efficiency Plan plans in order to continue to achieve service objectives and to deliver the relevant aims of the City Plan.
- 3.4 Given that the Council faces a reduction in its future funding and has experienced a reduction in its income, this exercise is likely to result in a reduction or reallocation

of resources rather than an increase in the net budget available. The MTFP indicates a budget gap which will need to be addressed so that the Council can continue to hold sufficient reserves to meet future needs.

4. Projects and Capital Expenditure

- 4.1 In a separate report to this committee meeting, Members have received a quarterly progress report on the various projects aligned to this committee. In addition, the 2021/22 Quarter 2 year-end forecast Capital Programme is shown on **Appendix 3** and the 2021-2025 Capital programme approved as part of the Budget in February 2021 is shown in **Appendix 4**.
- 4.2 Members are asked to consider whether the current projects are still appropriate for each service and whether there are any further needs that require addressing. This should include phasing the projects across the full 5-year term of the MTFP based on the need and importance of each one.
- 4.3 The original £3.3m budget allocated to the City Plan was previously split into broad themes by members. Since then a number of projects have been approved against this funding. The summary of the original allocations, the projects that have been approved and the balance of funding remaining in each City Plan theme are shown in **Appendix 5**. The table shows the amount spent and committed by way of purchase orders to date. In most cases the balance remaining is required to complete the particular project.
- 4.4 Members are asked to confirm that the programme of work supported by the City Plan allocations continues to meet the priorities of the Committee.

5 City Delivery Fund

- 5.1 The City Delivery Fund was established from the 2020/21 Budget surplus to address priorities identified by local residents. From a total of £565k, the services relevant to this committee were allocated £455k.
- 5.2 The progress made to date is summarised in **Appendix 6**.

6 Implications

- 6.1 Financial and Budgetary Implications
None arising directly from this report.
- 6.2 Legal and Governance Implications
The Council has a requirement to set a balanced budget for 2022-23.
- 6.3 Risk Implications
None arising directly from this report.
- 6.4 Corporate/Policy Implications
None arising directly from this report.
- 6.5 Equality Implications
None arising directly from this report.
- 6.6 Human Resources Implications
None arising directly from this report.

6.7 Health and Safety Implications
None arising directly from this report.

Ward(s): All
Contact Officer: Mark Baldwin, Head of Finance – Tel: 01905 722007
Background Papers: None

**WORCESTER CITY COUNCIL
BUDGET 2022/23**

Appendix 1

| ENVIRONMENT COMMITTEE | Annual Budget 2019/20 | Final Actuals 2019/20 | Annual Budget 2020/21 | Current Budget 2021/22 |
|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|
| Employees | 4,143,020 | 4,002,799 | 4,525,030 | 4,397,200 |
| Premises | 804,821 | 836,043 | 943,570 | 915,360 |
| Transport | 475,400 | 534,611 | 480,240 | 487,520 |
| Supplies and Services | 887,595 | 952,879 | 877,705 | 873,945 |
| Third Party Payments | 956,392 | 940,191 | 968,450 | 992,580 |
| Internal Recharges | 90,816 | 94,236 | 93,260 | 93,260 |
| Total Expenditure | 7,358,044 | 7,360,758 | 7,888,255 | 7,759,865 |
| Internal Recharges | (72,449) | (94,630) | (72,840) | (72,840) |
| Grants and Contributions | (221,140) | (198,706) | (135,940) | (135,940) |
| Fees and Charges | (7,361,655) | (6,666,946) | (7,337,980) | (7,260,910) |
| Other Income | (424,690) | (473,337) | (449,690) | (270,770) |
| Total Income | (8,079,934) | (7,433,620) | (7,996,450) | (7,740,460) |
| Grand Total | (721,890) | (72,861) | (108,195) | 19,405 |

Summary by sub-service:

| ENVIRONMENT COMMITTEE | Annual Budget 2019/20 | Final Actuals 2019/20 | Annual Budget 2020/21 | Current Budget 2021/22 |
|---------------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|
| Regulatory Services Expenditure | 582,459 | 578,680 | 582,440 | 592,640 |
| Regulatory Services Income | (356,285) | (324,549) | (358,640) | (360,790) |
| Regulatory Services Total | 226,174 | 254,131 | 223,800 | 231,850 |
| Parking and Enforcement Expenditure | 1,352,470 | 1,325,662 | 1,426,020 | 1,426,790 |
| Parking and Enforcement Income | (3,984,150) | (3,724,486) | (3,916,710) | (3,936,710) |
| Parking and Enforcement Total | (2,631,680) | (2,398,824) | (2,490,690) | (2,509,920) |
| Bereavement Expenditure | 683,636 | 646,827 | 677,020 | 639,880 |
| Bereavement Income | (1,920,780) | (1,541,551) | (1,719,800) | (1,590,250) |
| Bereavement Total | (1,237,144) | (894,723) | (1,042,780) | (950,370) |
| Operations Management Expenditure | 83,320 | 94,183 | 98,650 | 98,760 |
| Operations Management Income | 0 | 0 | 0 | 0 |
| Operations Management Total | 83,320 | 94,183 | 98,650 | 98,760 |
| Street Scene Expenditure | 1,983,989 | 1,953,106 | 2,224,265 | 2,221,515 |
| Street Scene Income | (269,220) | (356,338) | (287,920) | (288,480) |
| Street Scene Total | 1,714,769 | 1,596,768 | 1,936,345 | 1,933,035 |
| Projects Team Expenditure | 95,680 | 100,214 | 161,150 | 163,530 |
| Projects Team Income | 0 | 0 | 0 | 0 |
| Projects Team Total | 95,680 | 100,214 | 161,150 | 163,530 |
| Waste and Fleet Services Expenditure | 2,576,490 | 2,662,087 | 2,718,710 | 2,616,750 |
| Waste and Fleet Services Income | (1,549,499) | (1,486,696) | (1,713,380) | (1,564,230) |
| Waste and Fleet Services Total | 1,026,991 | 1,175,390 | 1,005,330 | 1,052,520 |
| Grand Total | (721,890) | (72,861) | (108,195) | 19,405 |

**Worcester City Council - Income and Efficiencies Plan 2021-2024
Environment Committee**

Appendix 2

| Project Title | 2021/22 £'000 | Notes | Update | 2022/23 £'000 | Notes | 2023/24 £'000 | Notes |
|------------------------------|--------------------------|--|---|--------------------------|--------------------------------|--------------------------|--------------|
| Car park security service | 18 | St Martins Gate to be open 24 hours | Review completed but not considered feasible. | | | | |
| Car parking | 5 | Cash collection reductions following introduction of card payments | Achieved | 2 | ditto | | |
| Advertising Income | 20 | Car Park Advertising - 4 sites | Under review. Opportunites limited following pandemic. | | | | |
| Parking Enforcement | 1 | Lower stationery costs - now digital | Achieved | | | | |
| Bereavement security service | 5 | Amend staff rotas for opening and closing gates | Review completed but not considered feasible. | | | | |
| Bereavement income | 5 | New E Commerce provision with online shop | New website live. | 5 | ditto | 10 | ditto |
| Trade Waste collections | 20 | Trade Waste 3.5% growth | Income lower due to pandemic. Future opportunity. | | | | |
| Garden Waste collections | 30 | Garden waste, 8% growth | Achieved. Pandemic increased the number of new customers. | | | | |
| Pitch hire income | 0 | | | 17 | Increase in number of bookings | | |
| Allotments income | 0 | | | 8 | Review of charges | | |
| | <u>104</u> | | | <u>32</u> | | <u>10</u> | |

Worcester City Council

Forecast Capital programme 2021/22

Appendix 3

| Scheme | 2021/22 | | Budgeted Financing 2021/22 | | | | | |
|---|----------------|------------------|----------------------------|--------------------|------------|------------------|-----------------|-----------------|
| | Revised Budget | 2021/22 Forecast | External Grants | Reserves & Revenue | S106 | Capital Receipts | Borrowing (MRP) | Total Financing |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Accelerated Towns Fund - 4 Copenhagen St | 319 | 319 | - | 11 | | 225 | 83 | 319 |
| Accelerated Towns Fund - Community centre | 417 | 417 | - | | | 302 | 116 | 417 |
| Accelerated Towns Fund - Electric charging points | 394 | 394 | - | | | 394 | | 394 |
| Arches Project | 1,368 | 1,000 | 1,172 | 196 | | | | 1,368 |
| Arterial and Strategic Routes | 31 | - | - | 31 | | | | 31 |
| Astwood Driveway Resurfacing | - | - | - | | | - | | 0 |
| Astwood Graves | 20 | 87 | - | | | 20 | | 20 |
| Astwood Offices Extension | 25 | - | - | | | 25 | | 25 |
| BEIS Insulation 1b | 922 | 922 | 922 | | | | | 922 |
| BEIS Insulation 2 | 546 | 546 | 546 | | | | | 546 |
| BEIS-External wall insulation | 209 | 209 | 209 | | | | | 209 |
| City Centre compactor bins | 13 | - | - | | | 13 | | 13 |
| Commandery Project | 53 | 53 | - | 53 | | | | 53 |
| Cromwell Crescent Park Improvements | 119 | 119 | - | | 119 | | | 119 |
| Customer Service Hub | 5 | 5 | - | | | 5 | | 5 |
| Diglis Project | 0 | - | - | | - | | | 0 |
| Disabled Facilities Grants | 1,085 | 1,085 | 1,053 | 32 | | | | 1,085 |
| FHSF - Connectivity and Public Realm | 635 | 635 | 635 | | | | - | 635 |
| FHSF - The Cross Vacant Premises Scheme | 50 | 50 | 50 | | | | | 50 |
| Future High Streets Fund - Angel Place | 50 | 50 | 50 | | | | | 50 |
| Future High Streets Fund - Angel Place | 314 | 314 | 314 | | | | - | 314 |
| Future High Streets Fund - Corn Exchange | 2,358 | 2,358 | 2,358 | | | | - | 2,358 |
| Future High Streets Fund - Former Co-op | 488 | 488 | 488 | | | | - | 488 |
| Future High Streets Fund - Trinity House | 1,586 | 1,586 | 1,586 | | | | - | 1,586 |
| Guildhall Improvement Access | 21 | 20 | - | 21 | | | | 21 |
| Hostile Vehicle Mitigation | 75 | 75 | - | | | 75 | | 75 |
| Housing - Temporary Accommodation for vulnerable adults | 140 | 140 | - | 140 | | | | 140 |
| Perdiswell Flooring | 182 | 182 | - | | | | 182 | 182 |
| ICT Projects | 18 | 18 | - | 18 | | | | 18 |
| Infrastructure Replace | 277 | 277 | - | | | 277 | | 277 |
| Landscaping at Perdiswell | 61 | 61 | - | 61 | | | | 61 |
| Loans to Third Parties | 2,100 | 2,100 | - | | | | 2,100 | 2,100 |
| Memorial Garden | 25 | 22 | - | | | 25 | | 25 |
| Ops Vehicle Replacement | 668 | 668 | - | | | 98 | 570 | 668 |
| Parks Electronic Signage | - | - | - | | | | | 0 |
| Pocket Park - Sanctuary Close/Hopton Street | 30 | 30 | - | | 13 | | 17 | 30 |
| Property 5-Year Plan | 327 | 327 | - | 7 | | 319 | | 327 |
| Public Realm | 50 | 50 | - | 50 | | | | 50 |
| Sansome Walk Site Demolition | 1,468 | 1,468 | 420 | | | 216 | 832 | 1,468 |
| Litter Bins Project | 75 | 75 | - | 75 | | | | 75 |
| Wheelie Bin Replacements | 122 | 122 | - | | | 122 | | 122 |
| | 16,648 | 16,273 | 9,804 | 696 | 132 | 2,115 | 3,900 | 16,648 |

**WORCESTER CITY COUNCIL
CAPITAL PROGRAMME AND FINANCING 2021-26**

Appendix 4

| Scheme | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2021-26 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Arches Project | 1,397 | 0 | 0 | 0 | 0 | 1,397 |
| Astwood driveway resurfacing | 100 | 0 | 0 | 0 | 0 | 100 |
| Astwood offices extension | 25 | 0 | 0 | 0 | 0 | 25 |
| City Centre Compactor Bins | 8 | 0 | 0 | 0 | 0 | 8 |
| Disabled Facilities Grants | 688 | 688 | 688 | 688 | 688 | 3,438 |
| Food Waste Collection | 0 | 1,000 | 0 | 0 | 0 | 1,000 |
| Future High Streets Fund | 16,820 | 7,596 | 3,089 | 521 | 0 | 28,026 |
| Hostile Vehicle Mitigation | 225 | 0 | 0 | 0 | 0 | 225 |
| Housing - temporary accomodation | 500 | 0 | 0 | 0 | 0 | 500 |
| Infrastructure Replace | 220 | 100 | 100 | 100 | 100 | 620 |
| Loans to Third Parties | 2,100 | 0 | 0 | 0 | 0 | 2,100 |
| Muslim Graves and Memorial Garden | 80 | 0 | 0 | 0 | 0 | 80 |
| Ops Vehicle Replacement | 609 | 671 | 1,025 | 1,020 | 1,056 | 4,381 |
| Property 5-Year Plan | 163 | 55 | 0 | 0 | 0 | 218 |
| Sansome Walk Site Demolition | 1,868 | 0 | 0 | 0 | 0 | 1,868 |
| Wheelie Bin Replacements - Domestic and Trade | 150 | 150 | 150 | 150 | 150 | 750 |
| TOTAL | 24,952 | 10,259 | 5,052 | 2,479 | 1,994 | 44,735 |

| Financing Source | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2021-26 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| External Grants | 11,783 | 6,164 | 3,186 | 688 | 688 | 22,507 |
| S106 Contributions | 0 | 0 | 0 | 0 | 0 | 0 |
| Earmarked Reserves | 701 | 0 | 0 | 0 | 0 | 701 |
| Capital Receipts | 2,105 | 305 | 250 | 250 | 250 | 3,160 |
| Revenue Financing | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowing | 10,363 | 3,791 | 1,616 | 1,541 | 1,056 | 18,367 |
| TOTAL | 24,952 | 10,259 | 5,052 | 2,479 | 1,994 | 44,735 |

| Projects | Committee | Total Allocation | Total spend to date | Forecast Balance at 31/3/22 | Progress |
|--|-------------|------------------|---------------------|-----------------------------|--|
| Solar Panels | Environment | 80,000 | -80,000 | - | |
| Trees | Environment | 20,000 | -20,000 | - | |
| New playground at Perdiswell | Environment | 100,000 | -100,000 | - | |
| Riverside | Environment | 174,800 | -53,816 | 120,984 | Project has begun and is continuing. |
| Improvements to Arterial Routes | Environment | 100,000 | -24,801 | 75,199 | Project part completed and next steps under review |
| Gateway Project (CPF19GWY) | Environment | 20,000 | -20,000 | - | |
| Guildhall energy improvements | Environment | 106,272 | -80,935 | 25,337 | Work completed, balance of £25k is available and will be needed for MAG improvements |
| Environmental Strategy enabling budget | Environment | 100,000 | -20,000 | 80,000 | Project has begun and is continuing. |
| Place-based working | Environment | 85,000 | -70,500 | 14,500 | Project has begun and is continuing. |
| Total for this committee | | 786,072 | -470,052 | 316,020 | |
| Funding required for all committees | | 4,734,845 | -2,683,406 | 2,051,439 | |
| Balance on City Plan Fund | | | | 2,051,439 | |

Worcester City Council**City Delivery Fund - update October 2021****Appendix 6**

| Service | Amount allocated | Amount committed to date | Progress update |
|--|-------------------------|---------------------------------|--|
| Enhanced public realm maintenance including street and public space cleaning, grounds maintenance and grass cutting. | £250,000 | £191,000 | Street cleaning hit squad set up. 160 hanging baskets fitted. Increase in staff resource for riverside and parks. Riverside railings and handrails to be repaired and painted. |
| Enhanced public waste collection services including Saturday Skips and increases in bins and collections. | £75,000 | £50,000 | Saturday skips are operating again but were already budgeted. The £25,000 set aside can therefore be reallocated. More litter bins are being arranged. |
| Improved and effective gull control programme | £30,000 | £30,000 | Regular hawk flights in July/August. Removal of rooftop nests in October. |
| More enforcement of parking outside the city centre and planning issues. | £50,000 | £30,000 | Additional CEO on 12-month fixed term contract. Lease of 1 small vehicle for 12-month period. |
| Subsidised parking to attract visitors to key events and incentivise visitor spend. | £50,000 | £0 | Options for Victorian Fayre and Christmas being considered. |