



Report to: Place and Economic Development Committee, 1 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. This did not include any items that relate to this committee and no update is therefore required.
- 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 2** and the 2021-2025 Capital programme approved as part of the Budget in February 2021 is shown in **Appendix 3**.
- 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 4**. 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 £110k.
- 5.2 The progress made to date is summarised in **Appendix 5**.

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

PLACE AND ECONOMIC DEVELOPMENT SUB-COMMITTEE	Annual Budget 2019/20	Final Actuals 2019/20	Base Budget 2020/21	Current Budget 2021/22
Employees	1,193,670	1,183,586	1,170,570	1,050,920
Premises	1,800	1,486	1,100	1,100
Transport	8,250	5,496	8,290	8,530
Supplies and Services	308,810	267,959	233,935	249,895
Third Party Payments	641,105	662,434	222,810	280,760
Internal Recharges	32,220	33,036	32,220	32,220
Total Expenditure	2,185,855	2,153,997	1,668,925	1,623,425
Grants and Contributions	(532,159)	(537,056)	(12,000)	0
Fees and Charges	(760,090)	(554,312)	(710,130)	(710,170)
Other Income	(235,880)	(242,643)	(235,880)	(235,880)
Total Income	(1,528,129)	(1,334,011)	(958,010)	(946,050)
Grand Total	657,726	819,986	710,915	677,375

Summary by sub-service:

PLACE AND ECONOMIC DEVELOPMENT SUB-COMMITTEE	Annual Budget 2019/20	Final Actuals 2019/20	Base Budget 2020/21	Current Budget 2021/22
Dev Control and Enforcement Expenditure	426,900	416,780	455,010	440,720
Dev Control and Enforcement Income	(482,030)	(357,762)	(482,070)	(482,110)
Dev Control and Enforcement Total	(55,130)	59,018	(27,060)	(41,390)
Land Charges Expenditure	101,190	109,173	107,560	110,860
Land Charges Income	(162,710)	(90,716)	(112,710)	(112,710)
Land Charges Total	(61,520)	18,457	(5,150)	(1,850)
Heritage and Design Expenditure	165,770	160,927	178,670	137,820
Heritage and Design Income	(5,000)	(8,403)	(5,000)	(5,000)
Heritage and Design Total	160,770	152,524	173,670	132,820
Building Control Expenditure	90,060	73,878	91,860	93,470
Building Control Income	(110,350)	(97,485)	(110,350)	(110,350)
Building Control Total	(20,290)	(23,607)	(18,490)	(16,880)
Economic Dev and Regen Expenditure	407,950	415,122	302,480	220,700
Economic Dev and Regen Total	407,950	415,122	302,480	220,700
Planning Policy Expenditure	246,510	249,585	213,550	247,410
Planning Policy Income	(17,450)	(19,446)	0	0
Planning Policy Total	229,060	230,139	213,550	247,410
Intitatives and Projects Expenditure	406,435	389,703	45,830	46,480
Intitatives and Projects Income	(502,709)	(502,711)	0	0
Intitatives and Projects Total	(96,274)	(113,008)	45,830	46,480
City Centre and Tourism Expenditure	341,040	338,829	273,965	306,745
City Centre and Tourism Income	(247,880)	(257,488)	(247,880)	(235,880)
City Centre and Tourism Total	93,160	81,341	26,085	70,865
Planning Management Expenditure	0	0	0	19,220
Grand Total	657,726	819,986	710,915	677,375

Worcester City Council

Forecast Capital programme 2021/22

Appendix 2

Scheme	2021/22		Budgeted Financing 2021/22					
	Revised Budget	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 3

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
Refurbishment of 2 Copenhagen Street (Kiln)	PED	100,000	-100,000	-	
Extension to WCC Business start Up & Growth Grant Prog.	PED	20,000	-20,000	-	
Work Placements	PED	15,000	-15,000	-	
Tourism strategy (Phase 1)	PED	49,900	-49,900	-	
Tourism strategy (Phase 2)	PED	97,500	-29,424	68,076	Spend plan in place on Covid recovery & tourism
Support business development initiatives	PED	100,000	-86,038	13,962	£100k originally allocated in 18/19. Spend this year dependant on number of grant applications.
Link by new pedestrian bridge Kepax Park to Gheluvelt Park	PED	875,000	-211,655	663,345	Planning application now approved
Business start up and growth grants programme 2020-23	PED	75,000	-25,000	50,000	This runs until 2023 after using reserve above
Tourism Strategy Phase 3	PED	25,000	-23,310	1,690	Spend plan in place on Covid recovery & tourism
Tourism and Events Officer extension	PED	45,000	-41,890	3,110	Used to fund post for 20/21
City Museums, commercial development projects	PED	64,000	-44,500	19,500	Plans in place but held up due to pandemic.
City Museums, national promotion projects	PED	35,000	-10,000	25,000	Plans in place but held up due to pandemic.
Worcester Life Stories project	PED	50,000	-50,000	-	Virtual time travel project & backfill of Historic Records officer post.
Playing Pitch Strategy	PED	30,000	-10,787	19,213	
Total for this committee		1,581,400	-717,504	863,896	
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 5

Service	Amount allocated	Amount committed to date	Progress update
Expansion of the FHSF property improvement programme to support re-opening and filling of vacant units and increased publicity to include hoarding plan	£110,000	£0	Plans are being prepared.