



Worcestershire County Council Budget 2019/20

How the money is spent:

Summary of gross expenditure, income and staffing

The planned costs of services are shown below:

2018-19 Net Exp £m		2019 - 20 Gross Exp £m	2019 - 20 Income £m	2019 - 20 Net Exp £m	Staffing Number
0.0	Schools budget	225.9	-225.9	0.0	4,064
90.8	Supporting vulnerable children & Education	118.9	-18.9	100.0	803
125.4	Adult social care	212.3	-73.3	139.0	882
-0.8	Public Health	24.2	-24.2	0.0	35
9.0	Libraries, museums & community services	22.9	-14.2	8.7	269
60.5	Highways, planning, transport & waste disposal	84.7	-29.4	55.3	352
39.3	Support services, capital financing & pensions	34.1	-4.5	29.6	397
324.2	Total cost of services	723.0	-390.4	332.6	6,802
0.0	Use of reserves	0.0	-2.2	-2.2	0.0
324.2	Net budget requirement	723.0	-392.6	330.4	6,802

Funded by:

2.1	Council Tax surplus			1.7	
251.5	Amount to be met by Council Tax payer			264.5	
253.6	Council Tax Requirement			266.2	
61.2	Business Rates			64.2	
9.4	Revenue Support Grant			0.0	
324.2	Total			330.4	

Where the money comes from to pay for the 2019-20 Budget

The majority of the Council's funding is from Council Tax income. In 2019-20 the County Council, together with the six Worcestershire District Councils, is taking part in a Business Rates pilot scheme where the County area will retain 75% of the business rate growth collected in Worcestershire. The pilot scheme will enable up to £5 million of additional funding to be spent across Worcestershire on reducing demand for social care. Previously the County area was allowed to keep up to 50% of the business rate growth. The Council will no longer receive any general Revenue Support Grant.

We receive other grants from the Government for specific purposes. The most significant is the Dedicated Schools Grant (DSG) that provides £208.9 million funding for mainstream schools and statutory functions in 2019-20 and can only be used for this purpose, and £28.4 million Public Health Grant.

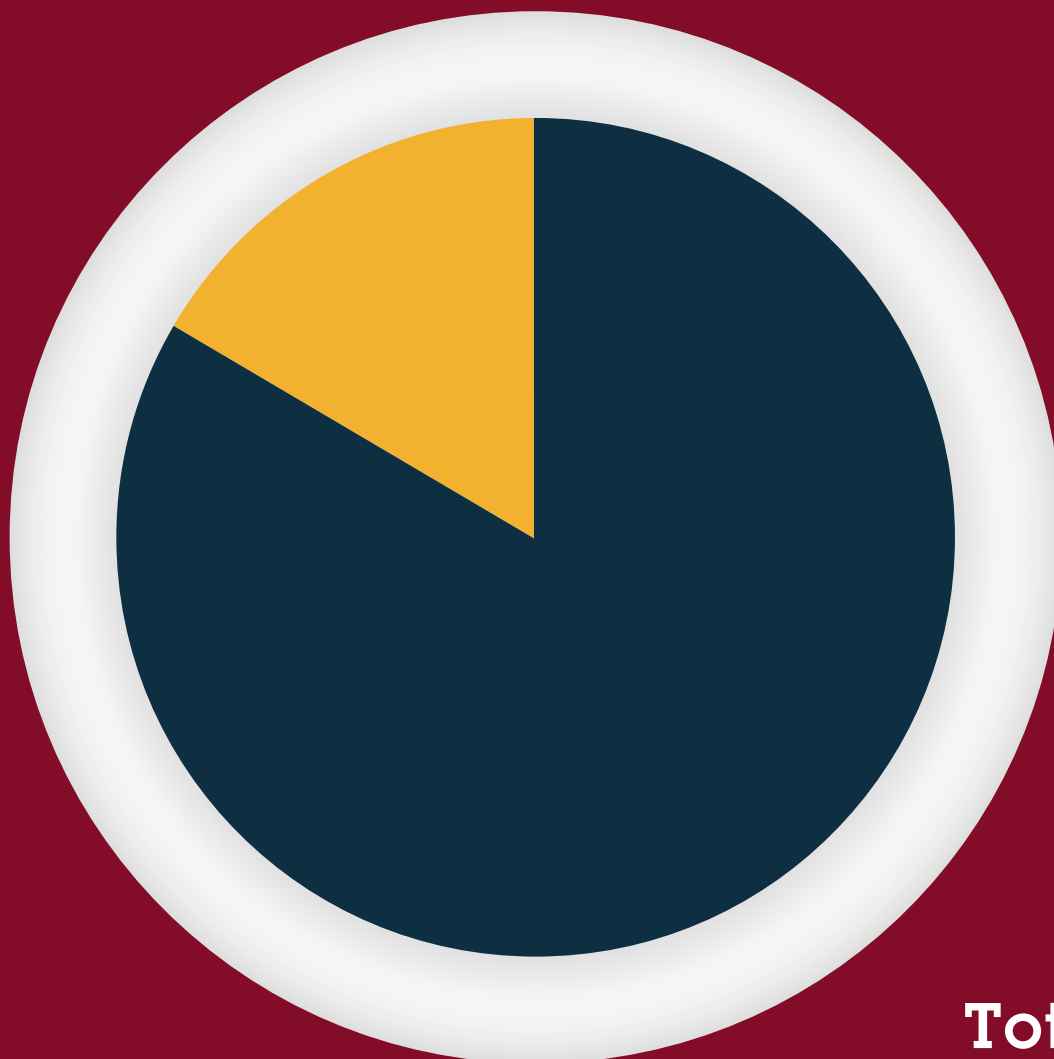
The cost of providing our services in 2019-20, net of specific grants, is £330.4 million.



Council Tax
£266.2m



Business Rates
£64.2m



Total: £330.4m

Why spending has changed from 2018-19

The Council faces additional cost pressures in respect of inflation and increases in the demand for services such as the extra numbers of people needing social care. Some inflationary costs experienced by local authorities are significantly higher than the general rate of inflation.

The net budget requirement for 2019-20 has increased by £6.2 million over last year, as shown in the following table.

	£m
Net budget requirement 2018-19	324.2
Inflation	9.4
Adult social care demographics increase	7.4
Children's safeguarding	4.2
Children's special educational needs and disability transport	1.5
Worcestershire Children First investment	0.6
Investment to address 2018-19 pressures	11.1
Adult Social Care Grant	-3.5
Allocation of Public Health Grant	-2.0
Allocation of Improved Better Care Funding	-1.0
Other	0.6
Transformation Reforms	-19.9
Withdrawal from Reserves / 75% Business Rates Pilot Gain	-2.2
Net budget requirement 2019-20	330.4

For further information on the above items please follow the link below to the December 2018 and January 2019 Cabinet reports:

www.worcestershire.moderngov.co.uk/ieListMeetings.aspx?Committeeld=131

Council Tax

The council tax contribution towards our 2019-20 budget for a Band D property is £1,260.75, a rise of 3.99% or £0.93 per week from last year. The following list shows how much you will pay for our services for each property band.

Council Tax Bands



The 3.99% increase in council tax includes a 1% increase which will be ring-fenced to support adult social care. For a Band D property this is equivalent to £12.12 in 2019-20. This is due to a growing demand for adult social care and increased pressures on council budgets. In Worcestershire there is an ageing population, many of whom need some form of care or support. There are now more elderly and frail people living in the county than ever before. The 2.99% increase is to support general services.

Staffing

During 2019-20 we expect to employ the equivalent of 6,796 full-time staff, of which 4,064 are employed in schools. This includes the planned reduction in staff numbers as part of the Council's efficiency measures which would include where roles transfer to other providers.

Capital Investment

We plan to invest £131 million during 2019-20 in capital projects such as building and refurbishing schools, improvements to roads, pavements and infrastructure, Kidderminster Railway Station, Pershore Northern Infrastructure scheme, A4440 Worcester Southern Link improvements, cutting congestion, regeneration projects and the provision of Super Fast Broadband.

Borrowing

We borrow money to pay for some of our capital investment. The total borrowing at 31 March 2019 is estimated to be £460 million.

General Balances

We plan to keep a general reserve of around £12 million to pay for emergencies and other unforeseen expenditure.

Adult Social Care Precept

The council tax for Worcestershire County Council has increased in total by 3.99% in 2019-20 to £1,260.75 for a Band D property (£1,212.38 in 2018-19). This increase is made up of a 1% increase for Adult Social Care (ASC) and 2.99% for general services.

Regulations set by the Government state that cash and percentage figures must be shown on the face of the council tax bill for the ASC precept and for the council tax amount charged for general services.

However, the amount for ASC must include the amount set in the current year and previous years added together to show a cumulative amount. This is because the ASC precept is a charge that accumulates in value over the years and local authorities are expected to keep spending all of the additional council tax they have charged for the ASC precept in previous years on ASC services.

For a Band D property this is:

2016-17	2017-18	2018-19	2019-20	Total
£21.60	£22.45	£34.66	£12.12	£90.83

The total is the amount shown on the council tax bill.

The table below details Worcestershire County Council's council tax increases for 2016-17, 2017-18, 2018-19 and 2019-20 for a Band D property. The amounts shown on the Council Tax bill for the last three years and for 2019-20 are shown in the shaded columns:

Band D Property	2015-16	2016-17			2017-18		
		Increase from 2015-16	2016-17 Total*		Increase from 2016-17	2017-18 Total*	
	£	£	%	£	£	%	£
Total Due is split as follows:							
Worcestershire County Council	1,079.77	20.94	1.94	1,100.71	10.55	0.94	1,111.26
WCC Adult Social Care (ASC) Precept	0	21.60	2.00	21.60	22.45	2.00	44.05
Total Due to WCC	1,079.77	42.54	3.94	1,122.31	33.00	2.94	1,155.31

Band D Property		2018-19		2019-20			
		Increase from 2017-18	2018-19 Total*	Increase from 2018-19	2019-20 Total*		
		£	%	£	£	%	£
Total Due is split as follows:							
Worcestershire County Council		22.41	1.94	1,133.67	36.25	2.99	1,169.92
WCC Adult Social Care (ASC) Precept		34.66	3.00	78.71	12.12	1.00	90.83
Total Due to WCC		57.07	4.94	1,212.38	48.37	3.99	1260.75

* As per Council Tax Demand

The 1% Adult Social Care increase is calculated on the previous year's Band D total, £1,212.38 x 1% = £12.12.

The council tax bill shows for a Band D property for 2019-20:

	£	% change
Worcestershire County Council	£1,169.92	3.0%
Worcestershire County Council*	£90.83	1.0%

(Please note percentages are rounded to 1 decimal place on the council tax bill).

* The council tax attributable to Worcestershire County Council includes a precept to fund adult social care.

The percentage amount for the ASC precept is the percentage that relates to the current year only, i.e. 1%, and is not a cumulative amount over 2016-17, 2017-18, 2018-19 and 2019-20. The cash amount is a cumulative amount.

The amount of council tax that relates to general services is the total amount minus the cumulative amount for the ASC precept i.e. for a Band D property this is £1,169.92 (£1,260.75 - £90.83).

Details for all council tax bands are as follows:

Band	Total WCC council tax	ASC precept 2016-17	ASC precept 2017-18	ASC precept 2018-19	ASC precept 2019-20	ASC precept*	WCC council tax less ASC precept (Non-ASC charge)
A	£840.50	£14.40	£14.97	£23.10	£8.08	£60.55	£779.95
B	£980.58	£16.80	£17.46	£26.96	£9.43	£70.65	£909.93
C	£1,120.67	£19.20	£19.95	£30.81	£10.78	£80.74	£1,039.93
D	£1,260.75	£21.60	£22.45	£34.66	£12.12	£90.83	£1,169.92
E	£1,540.92	£26.40	£27.44	£42.36	£14.81	£111.01	£1,429.91
F	£1,821.08	£31.20	£32.43	£50.06	£17.51	£131.20	£1,689.88
G	£2,101.25	£36.00	£37.42	£57.76	£20.20	£151.38	£1,949.87
H	£2,521.50	£43.20	£44.90	£69.32	£24.24	£181.66	£2,339.84

* Includes amounts charged for adult social care in 2016-17, 2017-18, 2018-19 and 2019-20.

Statement concerning adult social care funding

The following paragraphs are required to be included with information to be made available to Council Taxpayers. They explain that the County Council can raise an additional amount of Council Tax for Adult Social Care without holding a referendum:

The Secretary of State for Housing, Communities and Local Government has made an offer to adult social care authorities. ("Adult social care authorities" are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly.)

The offer is the option of an adult social care authority being able to charge an additional "precept" on its council tax for financial years from the financial year beginning in 2016 without holding a referendum, to assist the authority in meeting expenditure on adult social care. Subject to the annual approval of the House of Commons, the Secretary of State intends to offer the option of charging this "precept" at an appropriate level in each financial year up to and including the financial year 2019-20."

Environment Agency

The Environment Agency, as a levying body for its flood and coastal erosion risk management (FCERM) functions, provides the following information.

FCERM money is spent on flood defence schemes, maintenance of the river system, a flood warning system and coastal erosion risk management.

Severn and Wye, and Trent Regional Flood and Coastal Committees

	2018/19 '000s	2019/20 '000s
Gross Expenditure	£61,285	£90,457
Levies Raised	£3,182	£3,246
Total Council Tax Base	2,750	2,795

A change in the Gross Budgeted expenditure between the years reflects the programme of works for both capital and revenue needed by the Regional Flood and Coastal Committees. The total Local Levy raised has increased by 2.0%.

The local flood defence levy included in the County Council's budget for 2019/20 is £0.25m (2018/19 £0.24m).

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Council income for 2019/2020

- Council Tax **£266.2m**
 - Business Rates **£64.2m**
- Total: £330.4m**

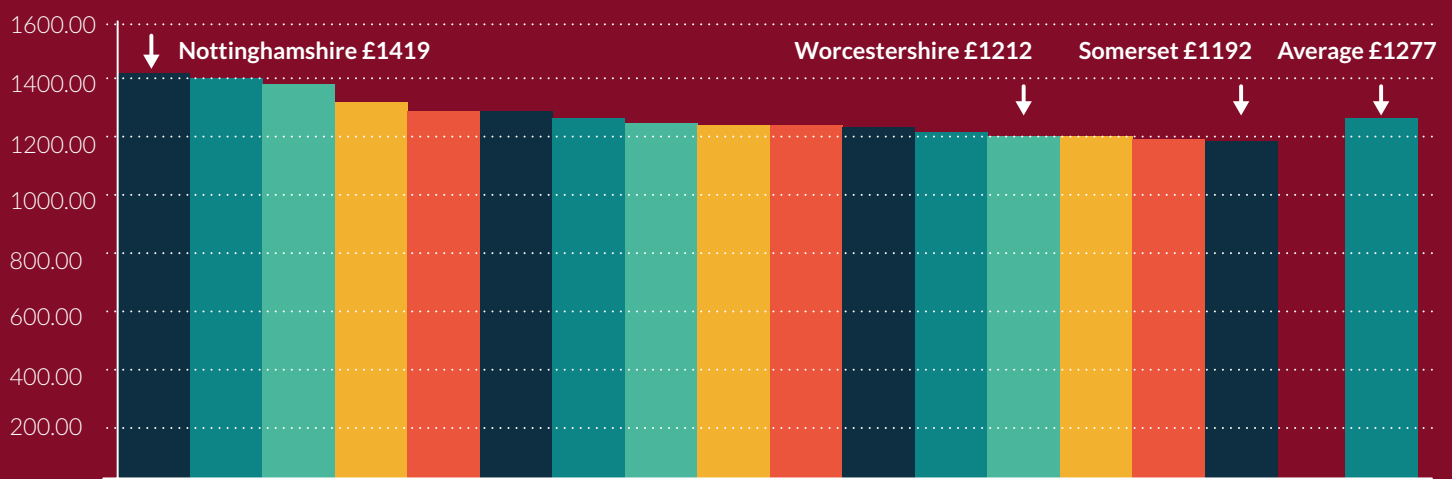


2019/2020 expenditure

- Adult Social Care and Health **£139.0m**
 - Supporting vulnerable children, education, libraries, museums and community services **£108.7m**
 - Highways, planning, transport and household waste disposal **£55.3m**
 - Support services, debt financing and pensions including a withdrawal of £2.2m from the 75% Business Rates Pilot Gain / Reserves **£27.4m**
- Total: £330.4m**

Worcestershire County Council's Council Tax is less than the average of comparable counties.

2018/19 Council Tax for Counties without Fire



This year the County Council's income is increasing due to Worcestershire's growing economy. Growth in the local economy generates more income from business rates. The building of more homes in the county has led to an increase in council tax revenue.

Supporting vulnerable adults and children accounts for more than 70% of council expenditure with adult social care and health receiving £139m of the council income and support for children and community services getting £108.7m.

£55.3m of the council income will be spent on highways, planning, transport and household waste disposal.

The remaining £27.4m of the expenditure goes onto support services and debt repayment.

This year's council tax will be increased by 3.99%, with 2.99% to support the general budget and 1% ring-fenced for Adult Social Care. The increase is equivalent to 93p per week extra on a Band D property.

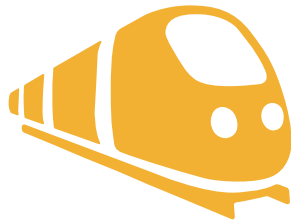
The additional investments in this year's budget include:

- **£14.1m for Adult Social Care**
- **£7.8m for children's social care**
- **£3m to support economic development**

Capital Investments for regeneration and infrastructure



Tackling Congestion **£5m**



Railway Station Upgrades **£5m**



New Employment Sites **£4m**



Walking and Cycling Bridges **£4m**






Members' Highways Fund **£2.5m**



Town Centre Improvements **£2.5m**



Total: £23m

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