

Worcestershire County Council Budget 2020-21

How the money is spent – summary of gross expenditure, income and staffing

The planned costs of services are shown below:

2019-20 Net Exp £m	Services	2020-21 Gross Exp £m	2020-21 Income £m	2020-21 Net Exp £m	Staffing Number
0.0	Schools budget	215.0	215.0	0.0	3,564
100.0	Worcestershire Children First - Supporting vulnerable children & Education	114.3	14.1	100.2	832
139.0	Adult social care and health	284.3	143.3	141.0	856
8.7	Libraries, museums & community services	37.0	25.0	12.0	364
55.3	Highways, planning, transport & waste disposal	83.8	27.4	56.4	305
29.6	Support services, capital financing & pensions	39.9	4.3	35.6	
332.6	Total cost of services	774.3	429.1	345.2	5,921
-2.2	Use of reserves	1.1	0.0	1.1	
330.4	Net budget requirement			346.3	
	Funded by:				
1.7	Council Tax surplus		2.9		
264.5	Amount to be met by Council Tax payer		279.1		
266.2	Council Tax Requirement		282.0		
64.2	Business Rates		64.3		
0.0	Revenue Support Grant		0.0		
330.4	Total		346.3		

Where the money comes from to pay for the 2020-21 Budget

The majority of the Council's funding is from Council Tax income. The County area is allowed to keep up to 50% of the business rate growth collected in Worcestershire since the introduction of the Business Rates Retention Scheme in April 2013. The Council no longer receives any general Revenue Support Grant

We receive grants from the Government for specific purposes. The most significant is the Dedicated Schools Grant (DSG). That provides funding for mainstream schools and statutory functions in 2020-21 and can only be used for this purpose. We expect to receive approx. £215 million. Another Government grant that we receive is the Public Health Grant. We are awaiting final confirmation but expect to receive approx. £29 million.

The cost of providing our services in 2020-21, net of specific grants, is £346.3 million.

Why spending has changed from 2019-20

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 2020-21 has increased by £15.9 million to £346.3 million as shown in the following table.

	£m
Net Budget Requirement 2019-20	330.4
Add back transfer from reserves	2.2
Revised Starting Position 2019-20	332.6
Adult social care demographics increase	13.2
Children's Social Care and Transport	4.5
Inflation (other services)	1.7
Investment to address 2019-20 pressures	10.1
Social Care Grant	-9.9
Other	0.6
Funding Capital Investment in cutting congestion, highways and footways improvements, flood mitigation and street lighting LED replacement	1.7
Public Transport	0.2
Woodland Planting Scheme	0.1
Transformation Reforms	-9.6
Transfer to Reserves	1.1
Net Budget Requirement 2020-21	346.3

For further information on the above items please follow the link below to the December 2019 and January 2020 Cabinet reports:

<http://worcestershire.moderngov.co.uk/ieListMeetings.aspx?Committeeld=131>

Council Tax

The council tax contribution towards our 2020-21 budget for a Band D property is £1,311.05, a rise of 3.99% or £0.97 per week from last year. The following list shows how much you will pay for our services for each property band.

Band A	£874.03	Band E	£1,602.39
Band B	£1,019.71	Band F	£1,893.74
Band C	£1,165.38	Band G	£2,185.08
Band D	£1,311.05	Band H	£2,622.10

The 3.99% increase in council tax includes a 2% increase which will be ring-fenced to support adult social care. For a Band D property this is equivalent to £25.21 in 2020-21. 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 1.99% increase is to support general services.

Staffing

During 2020-21 we expect to employ the equivalent of 5,921 full-time equivalent staff, of which 3,564 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 £140 million during 2020-21 in capital projects such as building and refurbishing schools, improvements to roads, pavements and infrastructure, Pershore Northern Infrastructure scheme, Bromsgrove A38 project, 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 2020 is estimated to be £474 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 2020-21 to £1,311.05 for a Band D property (£1,260.75 in 2019-20). This increase is made up of a 2% increase for Adult Social Care (ASC) and 1.99% 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	£21.60
2017-18	£22.45
2018-19	£34.66
2019-20	£12.12
2020-21	<u>£25.21</u>
Total	£116.04

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, 2019-20 and 2020-21 for a Band D property. The amounts shown on the Council Tax bill for the last four years and for 2020-21 are shown in the shaded columns:

Band D Property	1516			1617		1718		1819		
		Increase from 1516		1617 Total (as per Council Tax Demand)	Increase from 1617		1718 Total (as per Council Tax Demand)	Increase from 1718		1819 Total (as per Council Tax Demand)
	£	£	%	£	£	%	£	£	%	£
Total Due is split as follows:										
Worcestershire County Council (WCC)	1,079.77	20.94	1.94	1,100.71	10.55	0.94	1,111.26	22.41	1.94	1,133.67
WCC Adult Social Care (ASC) Precept	0	21.60	2.00	21.60	22.45	2.00	44.05	34.66	3.00	78.71
Total Due to WCC	1,079.77	42.54	3.94	1,122.31	33.00	2.94	1,155.31	57.07	4.94	1,212.38

Band D Property	1819			1920		2021	
		Increase from 1819		1920 Total (as per Council Tax Demand)	Increase from 1920		2021 Total (as per Council Tax Demand)
	£	£	%	£	£	%	£
Total Due is split as follows:							
Worcestershire County Council (WCC)	1,133.67	36.25	2.99	1,169.92	25.09	1.99	1,195.01
WCC Adult Social Care (ASC) Precept	78.71	12.12	1.00	90.83	25.21	2.00	116.04
Total Due to WCC	1,212.38	48.37	3.99	1,260.75	50.30	3.99	1,311.05

The 2% Adult Social Care increase is calculated on the previous year's Band D total, £1,260.75 x 2% = £25.21

The council tax bill shows for a Band D property for 2020-21:

		% change
Worcestershire County Council	£1,195.01	2.0%
Worcestershire County Council*	£116.04	2.0%

(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. 2%, and is not a cumulative amount over 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. 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 £1,195.01 (£1,311.05 - £116.04).

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 2020/21	ASC precept*	WCC council tax less ASC precept (Non-ASC charge)
A	£874.03	£14.40	£14.97	£23.10	£8.08	£16.81	£77.36	£796.67
B	£1,019.71	£16.80	£17.46	£26.96	£9.43	£19.60	£90.25	£929.46
C	£1,165.38	£19.20	£19.95	£30.81	£10.78	£22.41	£103.15	£1,062.23
D	£1,311.05	£21.60	£22.45	£34.66	£12.12	£25.21	£116.04	£1,195.01
E	£1,602.39	£26.40	£27.44	£42.36	£14.81	£30.82	£141.83	£1,460.56
F	£1,893.74	£31.20	£32.43	£50.06	£17.51	£36.41	£167.61	£1,726.13
G	£2,185.08	£36.00	£37.42	£57.76	£20.20	£42.02	£193.40	£1,991.68
H	£2,622.10	£43.20	£44.90	£69.32	£24.24	£50.42	£232.08	£2,390.02

*Includes amounts charged for adult social care in 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21.

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 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 was the option of an adult social care authority being able to charge an additional "precept" on its council tax without holding a referendum, to assist the authority in meeting expenditure on adult social care from the financial year 2016-17. It was originally made in respect of the financial years up to and including 2019-20. If the Secretary of State chooses to renew this offer in respect of a particular financial year, this is subject to approval of the House of Commons.

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

	2019/20	2020/21
	'000s	'000s
Gross Expenditure	£78,623	£82,525
Levies Raised	£3,246	£3,311
Total Council Tax Base	2,795	2,836

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 2020/21 is £0.25m (2019/20 £0.25m).