

# **Worcestershire County Council Budget**

**2016 - 2017**

# Budget 2016-17

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

The planned costs of services are shown below:

| 2015-16<br>Net Exp £m | Services                                   | 2016-17<br>Gross Exp £m | 2016-17<br>Income £m | 2016-17<br>Net Exp £m | Staffing     |
|-----------------------|--|-------------------------|----------------------|-----------------------|--------------|
| 0.0                   | Schools Budget                             | 218.0                   | -218.0               | 0.0                   | 4,888        |
| 77.4                  | Supporting Vulnerable Children & Education | 104.2                   | -27.0                | 77.2                  | 702          |
| 132.9                 | Adult Social Care & Public Health          | 238.9                   | -106.2               | 132.7                 | 1,019        |
| 9.7                   | Libraries, Museums & Community Services    | 22.5                    | -14.9                | 7.6                   | 284          |
| 63.3                  | Highways, Transport & Waste Disposal       | 91.7                    | -27.2                | 64.5                  | 407          |
| 42.8                  | Support Functions                          | 48.3                    | -7.8                 | 40.5                  | 432          |
| <b>326.1</b>          | <b>Total cost of services</b>              | <b>723.6</b>            | <b>-401.1</b>        | <b>322.5</b>          | <b>7,732</b> |
| 1.5                   | Addition to earmarked reserves             | 0.0                     | 0.0                  | 0.0                   | 0            |
| <b>327.6</b>          | <b>Net budget requirement</b>              | <b>723.6</b>            | <b>-401.1</b>        | <b>322.5</b>          | <b>7,732</b> |
| <b>Funded by:</b>     |  |                         |                      |                       |              |
| 2.1                   | Council Tax Surplus                        |                         |                      | 3.1                   |              |
| 212.1                 | Amount to be met by Council Tax payer      |                         |                      | 225.0                 |              |
| <b>214.2</b>          | <b>Council Tax Requirement</b>             |                         |                      | <b>228.1</b>          |              |
| 59.0                  | Business Rates                             |                         |                      | 58.1                  |              |
| 54.4                  | Revenue Support Grant                      |                         |                      | 36.3                  |              |
| <b>327.6</b>          | <b>Total</b>                               |                         |                      | <b>322.5</b>          |              |

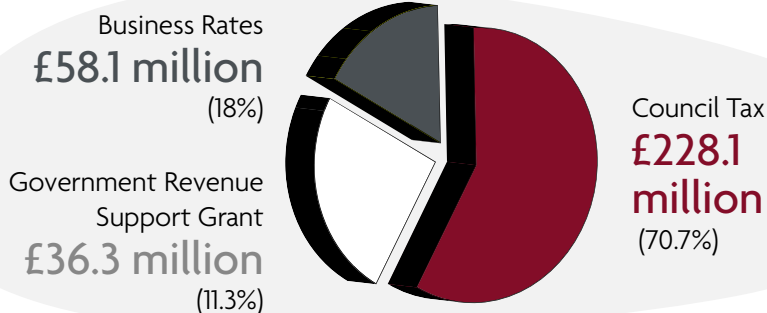
# Where the money comes from to pay for the 2016-17 Budget

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 continues to receive a Revenue Support Grant from Central Government and funding through specific grants.

Worcestershire's funding from Government grant and through business rates in 2016-17 is £94.4 million or £164 per person.

We also receive other grants from the Government for specific purposes. The most significant is the Dedicated Schools Grant (DSG) that provides £203.2 million funding for mainstream schools and statutory functions in 2016-17 and can only be used for this purpose.

The cost of providing our services in 2016-17, net of specific grants, is £322.5 million which is to be funded from business rates, Revenue Support Grant and local taxation.



# Why spending has changed from 2015-16

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 2016-17 has decreased by £3.6 million over last year, as shown in the following table.

|  | £m           |
|--|--------------|
| <b>Net budget requirement 2015-16</b>              | <b>327.6</b> |
| Less transfer to earmarked reserves in 2015-16     | -1.5         |
| <b>Revised starting position 2015-16</b>           | <b>326.1</b> |
| Inflation  | 7.2          |
| Children's Social Care service pressures           | 5.0          |
| Adult Social Care service pressures                | 3.0          |
| Implementing responsibility of the Care Act        | 2.3          |
| Investment in positive activities for young people | 0.6          |
| Reduction in Education Services Grant              | 0.5          |
| Waste Disposal costs                               | 0.5          |
| Investment in road maintenance                     | 0.5          |
| Investment in footways*                            | 0.3          |
| Other  | 1.3          |
| Future Fit Savings                                 | -24.8        |
| <b>Net budget requirement 2016-17</b>              | <b>322.5</b> |

\* Total investment in footways is £0.5m, £0.25m from the revenue budget and £0.25m investment from the capital budget for structural improvements.

# Statement concerning adult social care funding

The Secretary of State for 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.)

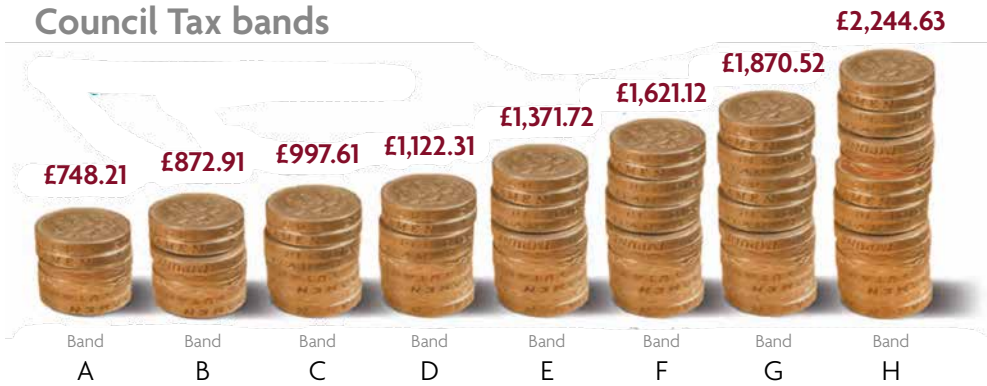
The offer is the option of an adult social care authority being able to charge a “precept” of up to 2% on its council tax for the financial year beginning in 2016 without holding a referendum, to assist the authority in meeting expenditure on adult social care. Subject to the annual approval of the House of Commons, the Secretary of State intends to offer the option of charging this “precept” in relation to each financial year up to and including the financial year 2019-20.

In relation to the financial year beginning in 2016 the Secretary of State has determined (and the House of Commons has approved) a referendum principle of 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure), for adult social care authorities. These authorities may therefore set council tax up to this percentage in 2016 without holding a referendum.

# Council Tax

The council tax contribution towards our 2016-17 budget for a Band D property is £1,122.31, a rise of 3.94% or 82p per week from last year. The following list shows how much you will pay for our services for each property band.

## Council Tax bands



In 2016-17 local authorities responsible for adult social care are allowed to increase their council tax by an additional 2%. Therefore the 3.94% increase in council tax includes a 2% increase which will be used entirely for adult social care. For a Band D property this is equivalent to £21.60. 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.

# Staffing

During 2016-17 we expect to employ the equivalent of 7,732 full-time staff, of which 4,888 are employed in schools. This includes a decrease in school-based staff due to the transfer of school academies, and the planned reduction in staff numbers as part of the Council's efficiency measures.

# Capital Investment

We plan to invest £142 million during 2016-17 in capital projects such as building and refurbishing schools, improvements to roads and infrastructure, Energy from Waste project, Worcester Technology Park, flood mitigation measures 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 2016 is estimated to be £349 million.

## General Balances

We plan to keep a general reserve of around £13 million to pay for emergencies and other unforeseen expenditure.

# 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

|                               | 2015/16<br>'000s | 2016/17<br>'000s |
|-------------------------------|------------------|------------------|
| Gross Expenditure             | £62,749          | £59,242          |
| Levies Raised                 | £3,000           | £3,059           |
| <b>Total Council Tax Base</b> | <b>2,593</b>     | <b>2,650</b>     |

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 1.9%.

The local flood defence levy included in the County Council's budget for 2016/17 is £0.2m (2015/16 £0.2m).



# Your Worcestershire County Council Spending Explained

## Dear Resident

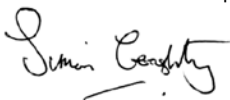
Local Government is facing financial challenges across the country and Worcestershire is no different. Despite the challenges we continue to be ambitious for our county. Worcestershire has the third fastest growing economy in the country and we believe that our future prosperity is in relying less on Central Government funding and be more self-sufficient as a Council. We are supporting measures to unlock further economy growth, create better paid jobs and invest in our infrastructure to reduce congestion.

The decisions that we have taken are shaped around those areas that you have told us are most important to you. We will be investing £12m into resurfacing roads and spending £500,000 more on pavements. We are continuing to improve the quality of our environment by investing in our town centres and public spaces.

In Worcestershire we have an ageing population, many of whom need some form of care or support. Almost six out of every ten pounds that we are spending is spent on social care for the county's ageing population, our children and for those who are most vulnerable in our society.

Unfortunately, this means we do need to increase the Council Tax to ensure these social care pressures can be funded. Any increase to the Council Tax is considered very carefully but we recognise that with more children coming into care and more elderly and frail people living in the county than ever before, this extra funding is essential. However, Council Tax rates in Worcestershire continue to be amongst the lowest in the country.

I hope this summary reassures you that the County Council is striving to improve the County, sustain vital services and ensure we provide value for your money.



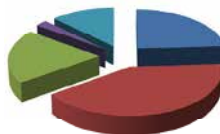
**Councillor Simon Geraghty**  
**Leader of Worcestershire County Council**

## Council Income...



- £228.1m Council tax
- £58.1m Business rates
- £36.3m Government grant

## Net Council Expenditure...



- £132.7m Adult Social Care
- £77.2m Supporting Vulnerable Children & Education
- £64.5m Highways, Transport & Household Waste
- £40.4m Support Functions
- £7.6m Libraries & Museums

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# What's Important To You?



In the last 5 years more than 50,000 residents have told us what's most important to them

- Highways maintenance
- Protecting vulnerable older people
- Protecting vulnerable young people

## Investing In Your Priorities

Supporting...



### Children and Families

**£5 million extra** to be spent on supporting children in our care

Promoting...



### Health and Well-being

Older and vulnerable people budgets **increased by £9.5m** to meet the wider pressures in social care

Championing...



### Open for Business

Investment to **create 16,000 jobs** and thousands of apprenticeships over the next 5 years

Protecting...



### The Environment

**£18.2m spent** on improving roads, cutting congestion and flood prevention

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Go to [www.worcestershire.gov.uk](http://www.worcestershire.gov.uk) and search 'Council Tax'



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