



# Worcestershire County Council Budget 2021/22

# How the money is spent: summary of gross expenditure and income

The planned costs of services are shown below:

| 2020-21<br>Net Exp<br>£m |  | 2021 - 22<br>Gross Exp<br>£m | 2021 - 22<br>Income<br>£m | 2021 - 22<br>Net Exp<br>£m |
|--------------------------|--|------------------------------|---------------------------|----------------------------|
| 0.0                      | Schools budget                                 | 231.0                        | 231.0                     | 0.0                        |
| 100.2                    | Supporting vulnerable children & Education     | 125.1                        | 18.5                      | 106.6                      |
| 141.0                    | Adult social care and health                   | 255.0                        | 112.8                     | 142.2                      |
| 12.0                     | Libraries, museums & community services        | 36.2                         | 25.8                      | 10.4                       |
| 56.4                     | Highways, planning, transport & waste disposal | 69.5                         | 13.7                      | 55.8                       |
| 35.6                     | Support services, capital financing & pensions | 66.1                         | 25.6                      | 40.5                       |
| <b>345.2</b>             | <b>Total cost of services</b>                  | <b>782.9</b>                 | <b>427.4</b>              | <b>355.5</b>               |
| 1.1                      | Use of reserves                                | -3.0                         | 0.0                       | -3.0                       |
| <b>346.3</b>             | <b>Net budget requirement</b>                  | <b>779.9</b>                 | <b>427.4</b>              | <b>352.5</b>               |
| <b>Funded by:</b>        |  |                              |                           |                            |
| 2.9                      | Council Tax surplus/(deficit)                  |                              | -1.7                      |                            |
| 279.1                    | Amount to be met by Council Tax payer          |                              | 285.2                     |                            |
| <b>282.0</b>             | <b>Council Tax Requirement</b>                 |                              | <b>283.5</b>              |                            |
| 64.3                     | Business Rates                                 |                              | 66.2                      |                            |
| 0.0                      | Other Grants                                   |                              | 2.8                       |                            |
| <b>346.3</b>             | <b>Total</b>                                   |                              | <b>352.5</b>              |                            |

# Where the money comes from to pay for the 2021-22 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 2021-22 and can only be used for this purpose. We expect to receive approx. £231 million. Another Government grant that we receive is the Public Health Grant. We are awaiting final confirmation but expect to receive approx. £28 million.

The cost of providing our services in 2021-22, net of specific grants, is £352.5 million.

## Why spending has changed from 2020-21

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 2021-22 has increased by £7.3 million to £352.5 million as shown in the following table.

|   | £m           |
|---|--------------|
| <b>Net Budget requirement 2020-21</b>   | <b>346.3</b> |
| Less transfer to reserves in 2020-21  | -1.1         |
| <b>Revised Starting Position 2020-21</b>  | <b>345.2</b> |
| Adult social care demographics increase   | 11.5         |
| Worcestershire Children First Investment  | 7.7          |
| Investment to address 2021-22 pressures   | 4.6          |
| Inflation (other services)  | 2.5          |
| Investment to address hardship in the Community                                       | 0.3          |
| Funding Capital Investment in highways and footways improvements and flood mitigation | 0.1          |
| Social Care Grant   | -2.2         |
| Other Government Grants   | -7.1         |
| Transformation Reforms  | -7.1         |
| Transfer to / (from) Reserves   | -3.0         |
| <b>Net Budget Requirement 2021-22</b>   | <b>352.5</b> |

For further information on the above items please follow the link below to the December 2020 and February 2021 Cabinet reports: [www.worcestershire.moderngov.co.uk/ieListMeetings.aspx?Committeeld=131](http://www.worcestershire.moderngov.co.uk/ieListMeetings.aspx?Committeeld=131)

# Council Tax

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The council tax contribution towards our 2021-22 budget for a Band D property is £1,343.83, a rise of 2.50% or £0.63 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 2.50% 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 £13.11 in 2021-22. 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 1.50% increase is to support general services.

## Staffing

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During 2021-22 we expect to employ the equivalent of 6,072 full-time equivalent staff, of which 3,563 are employed in schools. This includes the planned reduction in staff numbers as part of the Council's efficiency measures.

## Capital Investment

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We plan to invest £77 million during 2021-22 in capital projects such as improvements to roads, pavements and infrastructure, Pershore Northern Infrastructure scheme, Bromsgrove A38 project, A4440 Worcester Southern Link improvements, Getting Building Fund including the Redditch Transport Hub, Bewdley Flood Mitigation scheme, cutting congestion, regeneration projects and the provision of Super-Fast Broadband.

## Borrowing

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We borrow money to pay for some of our capital investment. The total borrowing at 31 March 2021 is estimated to be £493 million.

## General Balances

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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 2.50% in 2021-22 to £1,343.83 for a Band D property (£1,311.05 in 2020-21). This increase is made up of a 1% increase for Adult Social Care (ASC) and 1.50% 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 | 2020-21 | 2021-22 | Total          |
|---------|---------|---------|---------|---------|---------|----------------|
| £21.60  | £22.45  | £34.66  | £12.12  | £25.21  | £13.11  | <b>£129.15</b> |

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, 2020-21 and 2021-22 for a Band D property.

| 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           |
| <b>Total Due to WCC</b>             | <b>1,079.77</b> | <b>42.54</b> | <b>3.94</b> | <b>1,122.31</b> | <b>33.00</b> | <b>2.94</b> | <b>1,155.31</b> |

| 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          |
| <b>Total Due to WCC</b>             |  | <b>57.07</b> | <b>4.94</b> | <b>1,212.38</b> | <b>48.37</b> | <b>3.99</b> | <b>1260.75</b> |

| Band D Property |  | 2020-21               |               | 2021-22               |               |   |   |
|-----------------|--|-----------------------|---------------|-----------------------|---------------|---|---|
|                 |  | Increase from 2019-20 | 2020-21 Total | Increase from 2021-22 | 2021-22 Total |   |   |
|                 |  | £                     | %             | £                     | £             | % | £ |

Total Due is split as follows:

|                                     |  |              |             |                 |              |             |                 |
|-------------------------------------|--|--------------|-------------|-----------------|--------------|-------------|-----------------|
| Worcestershire County Council       |  | 25.09        | 1.99        | 1,195.01        | 19.67        | 1.50        | 1,214.68        |
| WCC Adult Social Care (ASC) Precept |  | 25.21        | 2.00        | 116.04          | 13.11        | 1.00        | 129.15          |
| <b>Total Due to WCC</b>             |  | <b>50.30</b> | <b>3.99</b> | <b>1,311.05</b> | <b>32.78</b> | <b>2.50</b> | <b>1,343.83</b> |

The 1% Adult Social Care increase is calculated on the previous year's Band D total, £1,311.05 x 1% = £13.11

The council tax bill shows for a Band D property for 2021-22:

|                                       | £         | % change |
|---------------------------------------|-----------|----------|
| <b>Worcestershire County Council</b>  | £1,214.68 | 1.5%     |
| <b>Worcestershire County Council*</b> | £129.15   | 1.0%     |

\* 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, 2019-20, 2020-21 and 2021-22. 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 £1,214.68 (£1,343.83 - £129.15).

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 2021 - 22 | ASC precept* | WCC council tax less ASC precept (Non-ASC charge) |
|----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------|---|
| <b>A</b> | £895.89               | £14.40                | £14.97                | £23.10                | £8.08                 | £16.81                | £8.74                 | £86.10       | £809.79   |
| <b>B</b> | £1,045.20             | £16.80                | £17.46                | £26.96                | £9.43                 | £19.60                | £10.20                | £100.45      | £944.75   |
| <b>C</b> | £1,194.52             | £19.20                | £19.95                | £30.81                | £10.78                | £22.41                | £11.65                | £114.80      | £1,079.72   |
| <b>D</b> | £1,343.83             | £21.60                | £22.45                | £34.66                | £12.12                | £25.21                | £13.11                | £129.15      | £1,214.68   |
| <b>E</b> | £1,642.46             | £26.40                | £27.44                | £42.36                | £14.81                | £30.82                | £16.02                | £157.85      | £1,484.61   |
| <b>F</b> | £1,941.09             | £31.20                | £32.43                | £50.06                | £17.51                | £36.41                | £18.94                | £186.55      | £1,754.54   |
| <b>G</b> | £2,239.72             | £36.00                | £37.42                | £57.76                | £20.20                | £42.02                | £21.85                | £215.25      | £2,024.47   |
| <b>H</b> | £2,687.66             | £43.20                | £44.90                | £69.32                | £24.24                | £50.42                | £26.22                | £258.30      | £2,429.36   |

\* Includes amounts charged for adult social care in 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22.

## 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

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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

|                               | 2020/21<br>'000s | 2021/22<br>'000s |
|-------------------------------|------------------|------------------|
| Gross Expenditure             | £103,098         | £86,046          |
| Levies Raised                 | £3,311           | £3,377           |
| <b>Total Council Tax Base</b> | <b>2,836</b>     | <b>£2,827</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 2.0%.

The local flood defence levy included in the County Council's budget for 2021/22 is £0.26m (2020/21 £0.25m).

# Worcestershire County Council Budget 2021/22



## 2021/2022 expenditure

- Adult social care, public health and community services **£153m**
- Children's services **£107m**
- Economy & Infrastructure **£56m**
- Support services including Finance and Legal **£40m**

Total: **£356m**

## In response to what you have told us needs to be improved, we are investing in...

**£6m** to resurface roads



**£4m** to resurface pavements

**£2.5m** to improve street lighting



A further **£1.25m** to address local highway priorities

**£2.5m** to renew highways drainage and flood mitigation works



### We will continue to deliver:

Our **£10m** programme to reduce traffic congestion



**150,000** trees are to be planted in the county to develop sustainable woodlands



**£0.2m** each year to improve public transport in the county



# Protecting the most vulnerable






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An extra **£7.7m** gross in **2021/22** to improve outcomes for our children and young people



An additional **£11.5m** gross invested into tackling the growing financial demands of an ageing population



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