

Worcestershire County Council Budget 2025/26

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

The planned costs of services are shown below:

2024-25 Gross Expenditure	2024-25 Income	2024-25 Net Expenditure	Services	2025-26 Gross Expenditure	2025-26 Income	2025-26 Net Expenditure
£m	£m	£m		£m	£m	£m
273.3	273.3	0.0	Schools budget	297.1	297.1	0.0
135.1	37.9	97.2	Supporting vulnerable Children & Education	168.0	60.6	107.4
345.1	186.6	158.5	Adult Social Care and health	375.3	201.4	173.9
41.2	32.0	9.2	Libraries, Museums & Community Services	32.3	23.2	9.1
118.3	36.0	82.3	Highways, Planning, Transport & Waste Disposal	133.6	44.8	88.8
37.4	2.3	35.1	Home to School Transport	45.8	2.0	43.8
66.2	15.1	51.1	Support Services, capital financing & pensions	95.0	22.4	72.6
1,016.6	583.2	433.4	Total cost of services	1,147.1	651.5	495.6
		-7.9	Use of reserves			
		425.5	Net budget requirement			495.6
Funded by:						
	2.0		Council Tax surplus/(deficit)		2.3	
	335.8		Amount to be met by Council Tax payer		357.2	
	337.8		Council Tax Requirement		359.5	
	87.7		Business Rates		87.5	
			Use of Reserves		15.0	
			Exceptional Financial Support		33.6	
	425.5		Total		495.6	

Where the money comes from to pay for the 2025-26 Budget

The majority of the Council's funding is from Council Tax income (including the impact of district surpluses / deficits) with £359.5 million forecast for 2025-26. Alongside this, 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.

We also receive grants from the Government for specific purposes including funding for schools and social care. The most significant is the Dedicated Schools Grant (DSG), and we expect to receive approx. £297.1 million for 2025-26. This grant provides funding for mainstream schools, special schools and statutory functions and can only be used for this purpose. Another Government grant that we receive is the Public Health Grant. We are due to receive £35.7 million which is ring-fenced to invest in a number of public health related activities across the County.

The budget for providing our services in 2025-26, net of specific grants, is £495.6 million.

Why spending has changed from 2024-25

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 2025-26 has increased by £70.1 million to £495.6 million as shown in the following table.

	£m
Net Budget Requirement 2024-25	425.5
One off Funding from Reserves	7.9
2024-25 Revised Budget	433.4
Pay Inflation	4.4
Contract Inflation	21.0
Rebasing of one-off savings	0.5
Rebase non-recurrent grants	0.2
Rebase income targets	1.8
Investment into spend in Public Health funded by additional grant	0.3
Investment into funding capital programme	4.5
Investment in transport and strategic planning	0.0
Demand and investment in Waste Management	0.0
Investment within Community Services	0.1
Investment in E&I Monitoring & Evaluation of Grant Funded Schemes	0.3
Investment into Bus Services Funded by Grant	2.9
Demand pressures within Adult Social Care	4.0
Demand pressures within Children's Services	6.6
Demand pressures within Home to School Transport	4.9
Demand pressures within Legal Services	0.5
Rebase due to fall out of flexible use of capital receipts relating to capitalisation	2.5
Investment into contingencies including bad debt provision	13.9
Removal of 2024/25 savings not achievable	4.9
Additional Cost of Employers National Insurance Funded by Grant	3.9
Investment to reduce vacancy factor savings	4.0
Net Recurrent pressures	15.3
Increased Grant Funding (excluding Business Rates)	-21.7
Savings and Efficiencies Identified	-12.5
Net Budget Requirement 2025-26	495.6

For further information on the above items please follow the link below to the February 2025 Council report:
[Agenda for Council on Thursday, 13th February, 2025, 10.00 am - Modern Council](#)

Council Tax

The council tax contribution towards our 2025-26 budget for a Band D property is £1,615.71, a rise of 4.99% or £1.48 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 4.99% increase in council tax includes a 2% increase which will be ring-fenced to support adult social care. 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 remaining 2.99% increase is to support general services.

The table below details Worcestershire County Council's council tax figures for 2017-18 to 2025-26 for a Band D property:

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26		
(As per Council Tax Demand)	(As per Council Tax Demand)	(As per Council Tax Demand)	(As per Council Tax Demand)	(As per Council Tax Demand)	(As per Council Tax Demand)	(As per Council Tax Demand)	(As per Council Tax Demand)	Increase from 2024-25	2025-26 Total (as per Council Tax Demand)	
£1,155.31	£1,212.38	£1,260.75	£1,311.05	£1,343.83	£1,396.78	£1,465.78	£1,538.92	£76.79	4.99%	£1,615.71

Staffing

During 2025-26 we expect to employ the equivalent of 5,763 full-time equivalent staff, of which 3,055 are employed in schools.

Capital Investment

We plan to invest £152 million during 2025-26 in capital projects such as continuing improvements to roads, pavements, flood mitigation strategies as well as transport, connectivity and infrastructure across the whole County. Key projects include the next phases of the A38 Bromsgrove improvement projects, Powick Old Bridge, continued investment in the provision of Super-Fast Broadband and digital connectivity to support residents and businesses.

In addition, there is further investment in the County's schools including additional funding for special schools and early years provision.

We will continue to invest in the maintenance of the Council's building stock and invest in the Council's technology transformation programme.

Borrowing

We borrow money to pay for some of our capital investment. The total borrowing at 31 March 2025 is estimated to be approximately £604 million.

General Balances

We plan to keep a general reserve of around £16.1 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 & Wye, and Trent Regional Flood and Coastal Committees	
	2024/25 '000s	2025/26 '000s
Gross Expenditure	£115,528	£131,829
Levies Raised	£3,583	£3,656
Total Council Base	2,959	3,008

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 2025/26 is £0.273m (2024/25 £0.269m).

Worcestershire County Council Budget 2025/26



2025/26 expenditure

- Adult Social Care, Public Health and Communities (**£183m**)
- Children's Services (**£107m**)
- Economy, Infrastructure and Environment (**£89m**)
- Home to School Transport (**£44m**)
- Support Services including Finance, Legal and loan repayments (**£73m**)

Total net budget: **£496m**

We also have a capital programme of £370m over the next three years, in addition to the investment of £120m in 2024/25. Through this programme, we will continue to invest in what you have said is important which includes:

£64m on highways to improve our roads and pavements including flood alleviation.



£173m on schools and school places, including **£30.1m** additional funding for special education needs.



An additional **£71m** on transport and connectivity.



£3.6m on broadband and digital connectivity to support residents and businesses.



The last year has been an exceptionally challenging year for the council. We, along with most other county councils, are facing the pressure of more people needing the essential services we have to provide and the cost of those services are rising significantly.

The key areas which this affects are adult and children's social care, home to school travel and Special Education Needs and Disability (SEND)

provision which collectively account for over 70 per cent of our spend.

These pressures are made even worse by the rise in national insurance contributions which are being faced by all suppliers and charities we work with coupled with a low level of increase in Government grants.

We have made, and continue to make, significant savings where we are able to do so. We will also continue to lobby Government for additional support for the services we have to provide as I don't believe that you, our residents, should be asked to cover these costs through local council tax.

Whilst we are having to increase council tax this year to pay for these vital services, our rates remain one of the lowest of all comparable county councils in the country.

Kind Regards,

Councillor Simon Geraghty,
Leader, Worcestershire County Council

With a gross budget from Council Tax, Government Grants and other income, we will be spending a record amount to help protect the most vulnerable people in our communities:

£321m for those who need Adult Social Care.



£199m to improve the lives of children and young people including Home to School Transport.



£98m to support people to live independently for longer through Public Health and Communities.

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