



Worcestershire County Council Budget 2026/27



worcestershire
county council

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

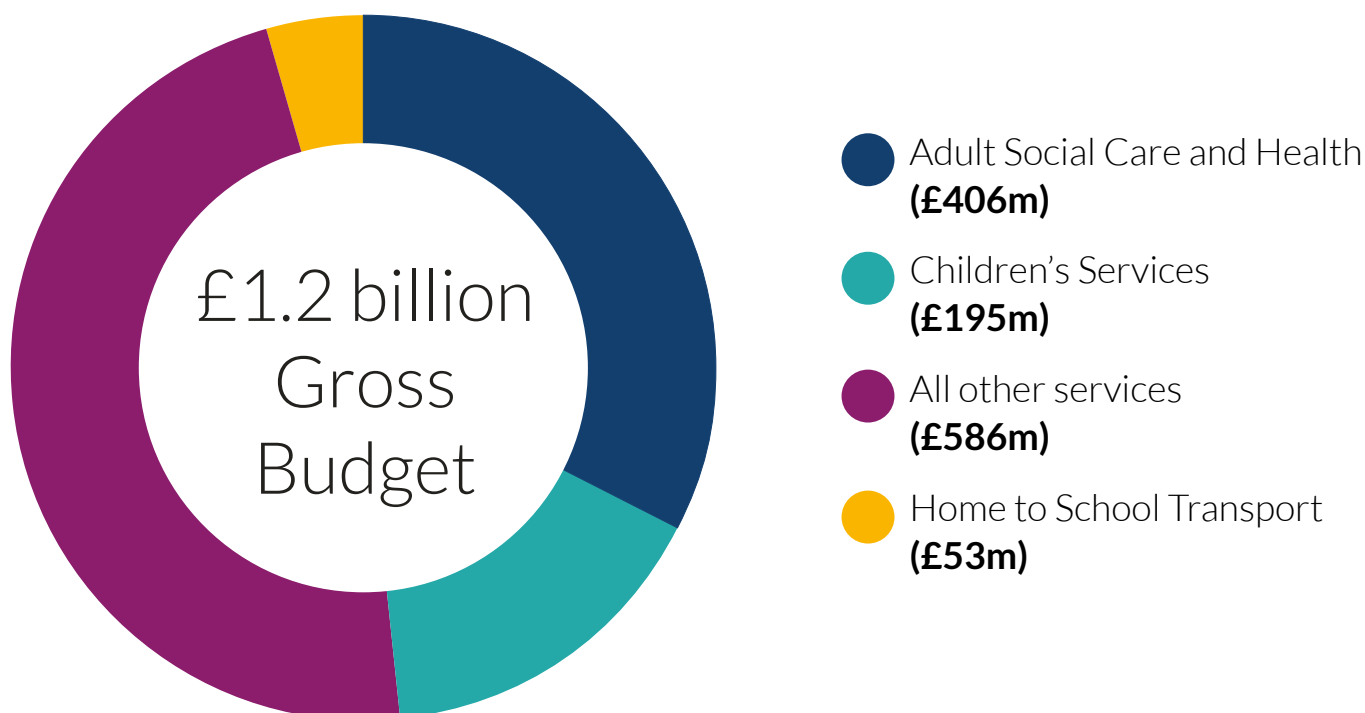
The planned costs of services are shown below:

2025-26 Gross Exp	2025-26 Income	2025-26 Net Exp		2026-27 Gross Exp	2026-27 Income	2026-27 Net Exp
£m	£m	£m	Services	£m	£m	£m
297.1	297.1	0.0	Schools budget	326.7	326.7	0.0
122.4	60.6	107.4	Supporting vulnerable Children & Education	195.0	35.3	159.7
375.3	201.4	173.9	Adult Social Care and health	406.1	168.9	237.2
32.3	23.2	9.1	Libraries, Museums & Community Services	37.1	27.9	9.2
133.6	44.8	88.8	Highways, Planning, Transport & Waste Disposal	128.7	44.1	84.6
45.8	2.0	43.8	Home to School Transport	53.1	4.8	48.4
95.0	22.4	72.6	Support Services, capital financing & pensions	93.1	12.3	81.0
1,147.1	651.5	495.6	Total cost of services	1,240.0	620.0	620.0
			Use of reserves			
		495.6	Net budget requirement			620.0
Funded by:						
	2.3		Council Tax surplus/(deficit)		0.5	
	357.2		Amount to be met by Council Tax payer		392.2	
	359.5		Council Tax Requirement		397.7	
	87.5		Business Rates		85.6	
			Revenue Support Grant		81.7	
	15.0		Use of Reserves		0.0	
	33.6		Exceptional Financial Support		59.9	
	495.6		Total		620.0	

The table below shows how the £1.24 billion is spent across Worcestershire, including how much we spend for every £100 we spend and how much we spend per person in Worcestershire.

	Gross Exp £m	Spend per head of population £	Spend per £100 spent £
Supporting vulnerable children & education	195.0	313.77	15.72
Adult services	364.0	585.77	29.35
Public health grant funded services	42.2	67.85	3.4
Libraries, museums & community services	37.1	59.67	2.99
Highways, planning, transport, property & waste disposal	128.7	207.10	10.38
Home to School transport	53.1	85.53	4.29
Legal	6.8	10.93	0.55
Finance, commercial & performance	15.0	24.08	1.21
Human resources	7.0	11.23	0.56
ICT	9.7	15.63	0.78
Corporate Services - contingency and debt repayment	54.8	88.27	4.42
Total cost of services	913.3	1,469.85	73.65
Schools, High Needs, Central Services Block and Early Years	326.7	525.75	26.35
Total Council cost of Services including schools	1,240.0	1,995.60	100

How our Gross Budget is Spent



Where the money comes from to pay for the 2026-27 Budget

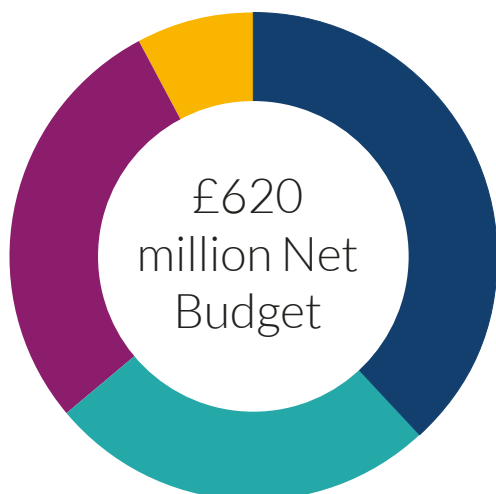
The Council's gross budget is the total expenditure made by the Council in a year. For 2026/27 this is £1.2 billion. Some of this comes from specific grants from the Government for specific purposes including funding for schools and public health. The most significant is the Dedicated Schools Grant (DSG), and we expect to receive approx. £327 million for 2026/27 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 £39.8 million which is ring-fenced to invest in a number of public health related activities across the County.

Some government grants have been combined this year and now all appear under Revenue Support Grant. This is a change to the way the government presents the funding - it isn't extra money. We still rely mainly on council tax to fund services. Other income we receive to fund the gross budget is from fees and charges where our customers pay a contribution to the services they receive, for example adult social care, library services and fines, registration services.

The net budget for providing our services in 2026/27, after use of specific grants and customer income, is £620 million.

Sources of funding the net £620 million budget

Source of Funding	Budget/percentage	Description
Council tax	£392.2m (63%)	The money we receive from our residents to pay for the services we provide
Retain Business Rates	£85.6m (14%)	The money we receive from businesses such as shops, offices, hotels and factories, to pay for the services we provide
Revenue Support Grant	£81.7m (13%)	The funding we receive from central Government in the form of Revenue Support Grant
Exceptional Finance support	£59.9m (10%)	Permission from central Government to borrow money to fund day to day services



- Adult Social Care and Health (£237m)
- Children's Services (£160m)
- All other services (£175m)
- Home to School Transport (£48m)

64% of our net budget is spent on adult and children's social care.

Areas the 2026/27 Net Budget is spent on



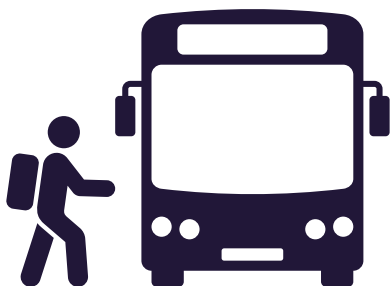
Adult Social Care, Public Health and Communities **£246m**



Children's Services **£160m**



Economy, Infrastructure and Environment **£85m**



Home to School Transport **£48m**



Support Services including Finance, HR, Legal and ICT **£30m**



Contingency and debt repayment **£51m**

Why spending has changed from 2025-26

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 2026/27 has increased to £620 million as shown in the following table.

	£m
Worcestershire Net Budget Requirement 2025-26	495.598
Plus demand and inflation	
Pay Inflation	4.794
Contract Inflation	17.686
Rebasing	-5.664
Demand Growth (all services)	16.100
Investment in services	4.339
Total New Service Investment and Pressures	37.255
Net Recurrent Pressures from 2025/26	23.965
Change in Expenditure funded by previous grant	72.120
Net Spending Requirement before savings	628.939
<i>Mitigated by:</i>	
Savings, efficiencies and income	-8.975
Total Savings and Other Mitigations	-8.975
Net Budget Requirement 2026/27	619.964
<i>Financed by:</i>	
Business Rates as part of Fair Funding Allocation	85.648
Collection fund Surplus	0.450
Revenue Support Grant as part of Fair Funding Allocation	81.694
Current Gap to be Addressed	59.933
	227.724
Amount to be collected via Council Tax and ASC Precept	392.240

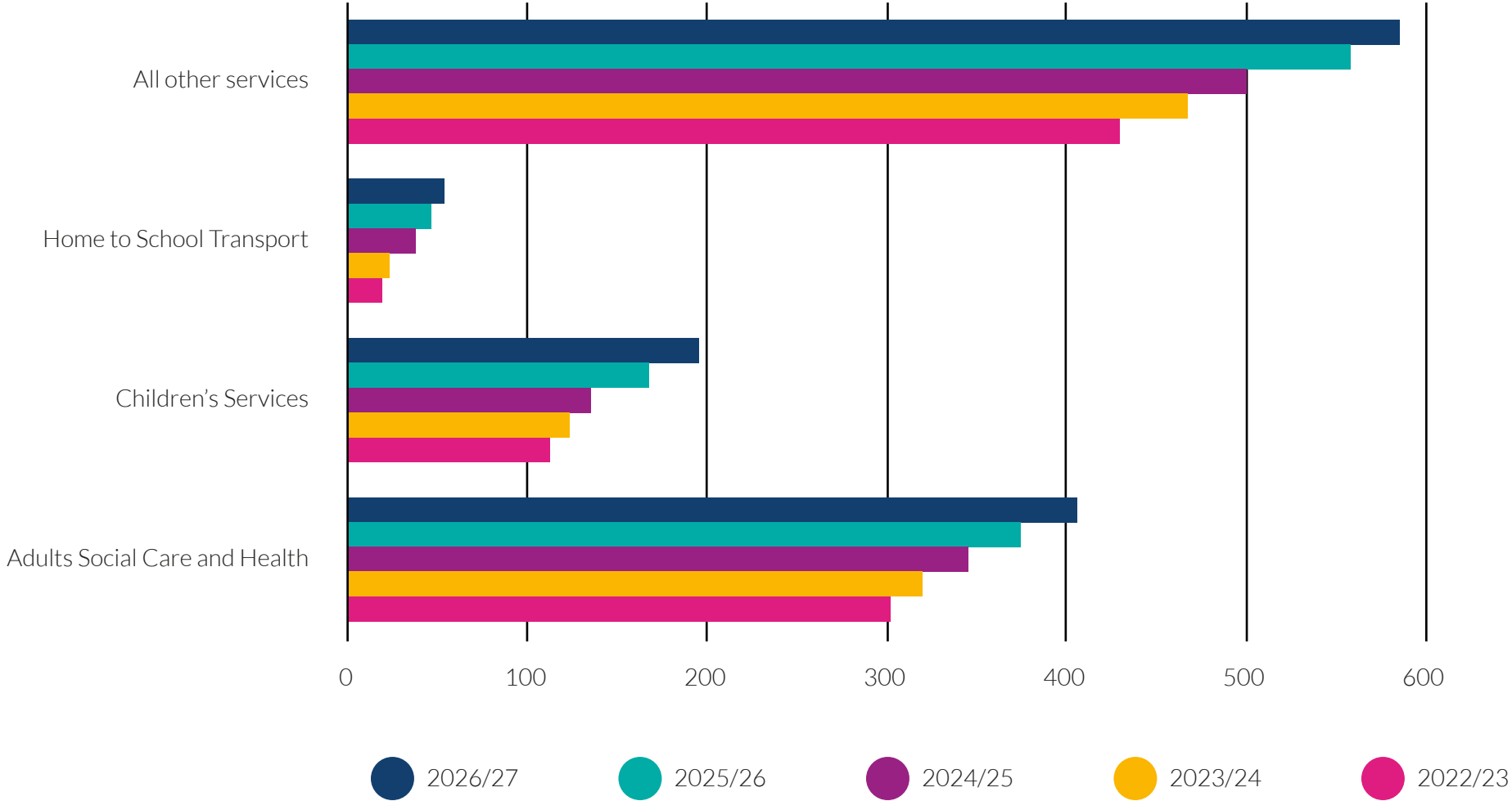
The Gap to be addressed has been met by the use of borrowing (a loan) where central Government have agreed for us to borrow up to £59.933 million to fund our revenue budget gap.

For further information on the above items please follow the link below to the February 2026 Council report:

[2026 02 26 Updated Budget Report 2026-27.pdf](#)

How our Gross Budget on demand related services has changed over the last 5 years compared to All Other Services

Gross Spend £m



Council Tax

The council tax contribution towards our 2026-27 budget for a Band D property is £1,760.80, a rise of 8.98% or £2.79 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 8.98% 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 and children’s 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 6.98% increase is to support general services.


The table below details Worcestershire County Council’s council tax figures for 2018/19 to 2026/27 for a Band D property:

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2026-27
(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 2025-26	2026-27 (As per Council Tax Demand)
£1,212.38	£1,260.75	£1,311.05	£1,343.83	£1,396.78	£1,465.78	£1,538.92	£1,615.71	£145.09 (8.98%)	£1,760.80

How our services and costs have increased




The number of children in residential care rose from **87** in 2020 to **180** in 2026.



The number of children placed with council employed foster carers has fallen from **193** to **116** over last five years.




The overall cost for a looked after child rose from **£1,005** in 2020 to **£1,860** in 2026.




The number of looked after children has risen from **834** to **1,057** in the last five years.



The total number of children and young people with an Education, Health and Care Plan (EHCP) increased from **4312** to **8346** over the last five years.



The net budget for waste management increased from **£42m** in 2021/22 to **£59m** in 2026/27 with **393,293** tonnes of waste disposed of in the last year.



The net budget for home to school transport has more than doubled from **£17m** in 2021/22 to **£48m** in 2026/27.



The number of older people requiring a service has risen from **3358** to **3638** over the last three years.



The number of younger adults requiring a service has increased from 3348 to 3510 over the last three years.



The net budget for learning disability services increased from **£61m** in 2021/22 to **£103m** in 2026/27

Staffing

During 2026-27 we expect to employ the equivalent of 5,762 full-time equivalent staff, of which 2,673 are employed in schools.

Capital Investment

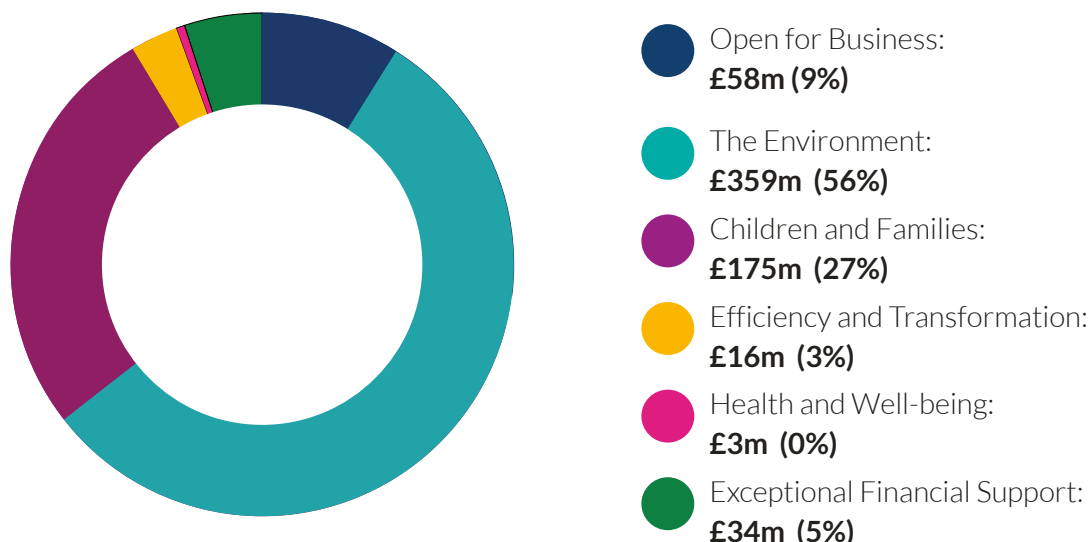
We plan to invest £193 million during 2026-27 in capital projects such as continuing improvements to roads, pavements, flood mitigation strategies as well as transport, connectivity and infrastructure across the whole County. Key projects include the next phases of the A38 Bromsgrove improvement projects, Powick Old Bridge, continued investment in the provision of digital connectivity to support residents and businesses as well as passenger transport.

In addition, there is further investment in the County's schools including additional funding for alternative provision, 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.

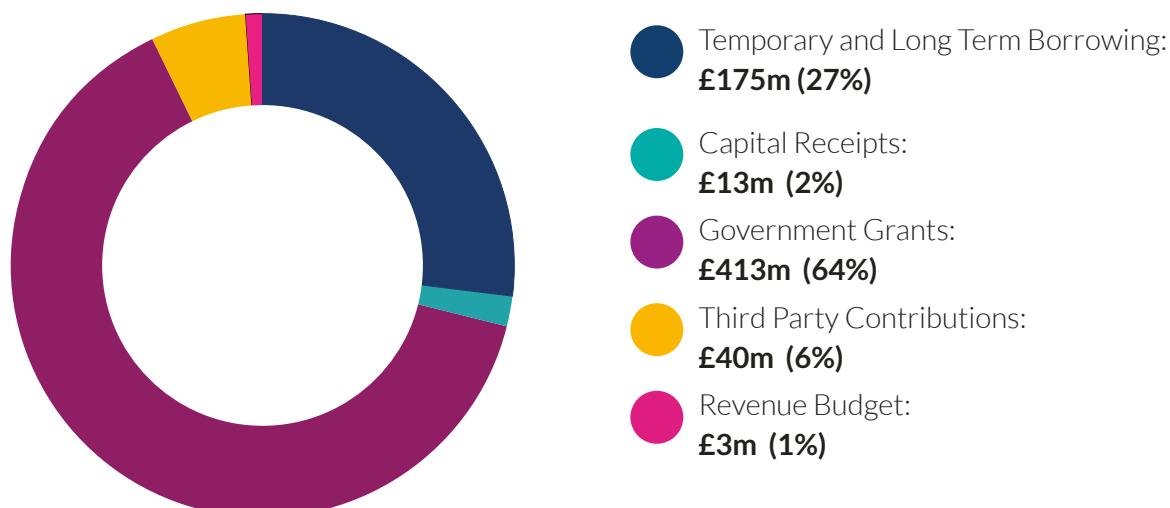
How we spend the capital programme

Whole Capital Programme by Priority - £645m



How we fund the capital

Whole Capital Programme by Funding Source - £645m



Through this programme, we will continue to invest in what the public have said is important which includes:

£223m on highways to improve our roads and pavements including flood alleviation.



£31m funding

for special education needs.



£5m on Powick Old Bridge.



£5m on street lighting.



£3m on broadband and digital connectivity to support residents and businesses.

Borrowing

We borrow money to pay for some of our capital investment. The total borrowing at 31 March 2027 is estimated to be approximately £744 million..

General Balances

We plan to keep a general reserve of around £19.2 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.

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 3.01%.

The local flood defence levy included in the County Council's budget for 2026/27 is £0.280m (20225/26 £0.273m).

Severn & Wye, and Trent Regional Flood and Coastal Committees

	2025/26 '000s	2026/27 '000s
Gross Expenditure	£109,660	£91,042
Levies Raised	£3,656	£3,766
Total Council Base	3,008	3,041

