

WYCHAVON

Budget and Council Tax 2019/20

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Headlines

- 2019/20 is the final year of the 4 year government settlement. No government revenue support grant next year (was £3.5m in 2013/14)
- Just our share of business rates (baseline and growth) and council tax
- All change from 2020/21 due to 2019 Spending Review, Fair Funding Review and reform of Business Rates Retention Scheme
- Could see further shift of resources away from district councils including Wychavon
- Better off than most!



Grow Save Charge

- We have significantly exceeded targets for the current business plan due mainly to business rates growth, joint working and new waste contract
- Have identified a further £700,000 of savings from 2019/20 with the potential of more to come (notably pensions contributions)
- No cuts to services and minimise council tax
- New business plan will be required to run alongside the new Council strategy from 2020/21



2019/20 draft budget

- Net Revenue Expenditure £12.8m
- Financed by:
 - Interest income £0.5m
 - Rents from key property investments £1.3m
 - Business rates baseline £2.6m
 - Business rates growth £1.5m
 - Council tax £6.3m
 - Use of earmarked reserves (net) £0.6m

Business rates pilot

- Worcestershire is one of 15 pilot pools announced to test new 75% business rates retention scheme in 2019/20
- County and all 6 districts
- Total gain expected to be in the region of £4.9m
- Used for district and county services that prevent or reduce the cost of social care, e.g.:
 - Community transport
 - Housing for the most vulnerable
 - Extra money for Disabled Facilities Grants
 - Support for fostering or disability employment



New Homes Bonus

- Government reward for councils who deliver additional housing
- Based on national average council taxes for 4 years for every property built and occupied above a threshold
- Next year Wychavon will get £4.4m but scheme likely to be phased out thereafter
- Our Protocol shows how we will allocate a total of £16m:
 - Community and other grants £1m
 - Legacy Fund £3m
 - District investments £12m



Revenue projections

- Almost balanced budget for 2019/20 followed by near balanced budgets for the following 4 years
- Based on prudent assumptions on business rates – growth reducing from £1.5m to £250,000 per year
- New Homes Bonus is not relevant here as it is used to pay for one-off investments not our base budget
- Helped by income from Evesham Waitrose, improved investment income and strong council tax base growth



Council tax

- Current average Band D council tax in Wychavon is around £1,600 (depends on parish precepts)
- Wychavon element is £120.08, significantly less than the average for district councils and the lowest in Worcestershire
- Can increase by 3% or £5 whichever is the higher without a referendum
- 2% assumed but decision will be taken by full Council in February
- Last year we froze the council tax

