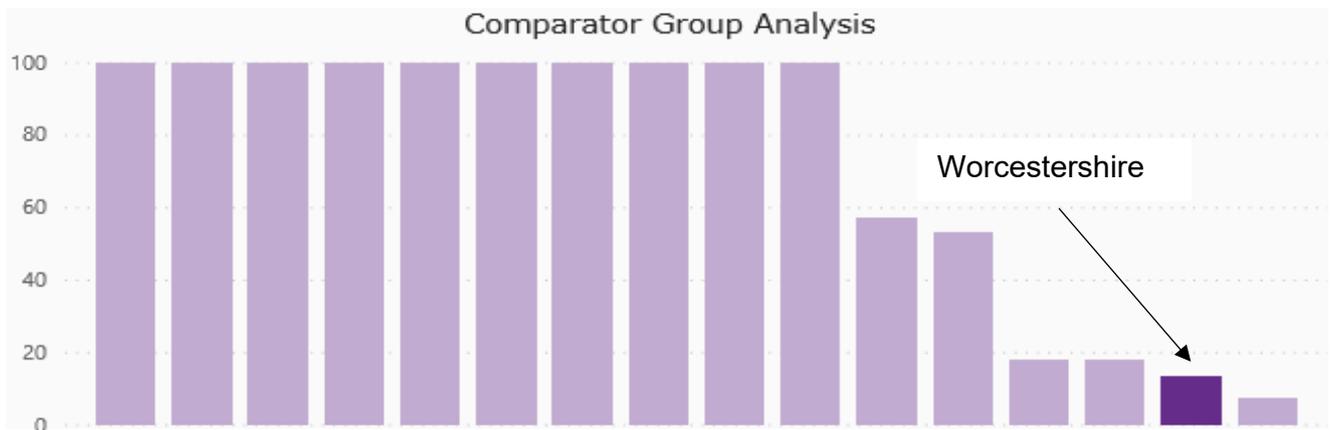
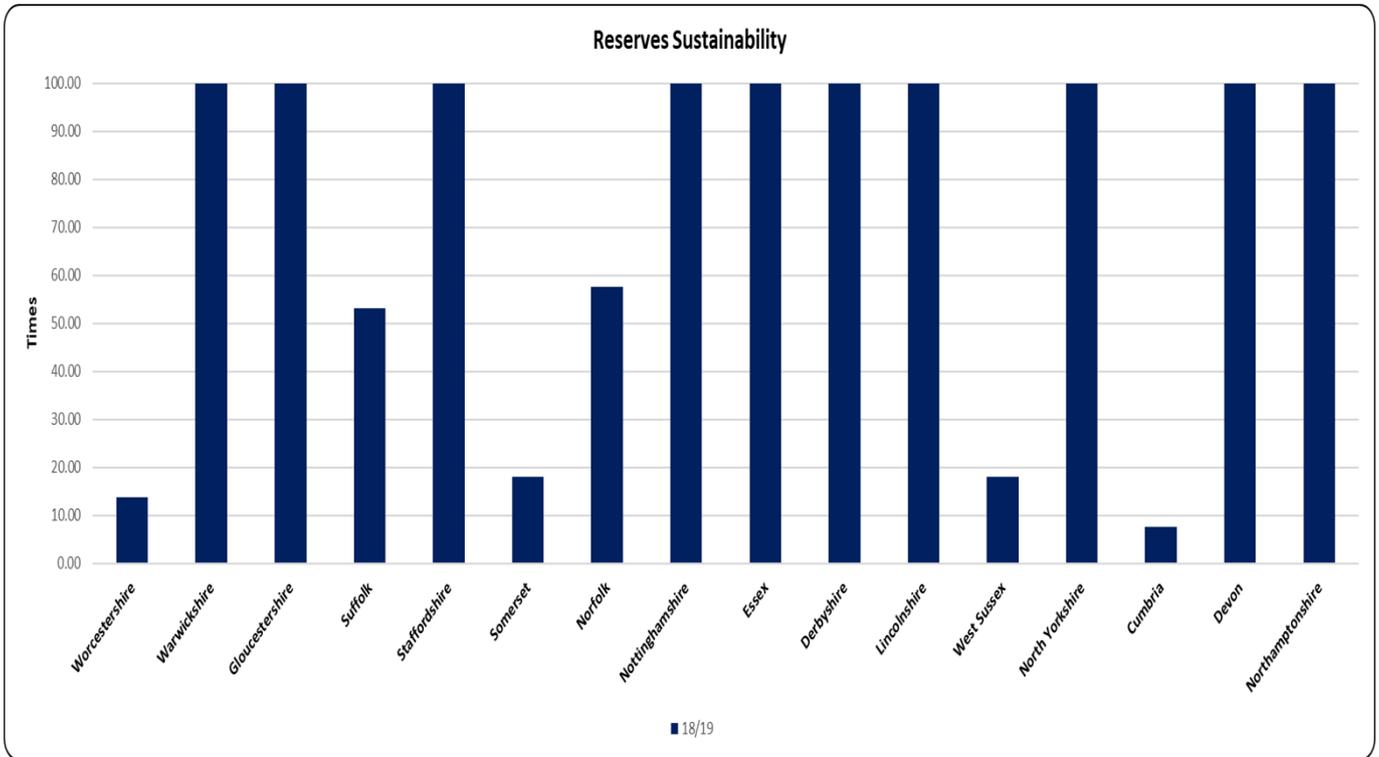


Extract from Primary Measures - WCC

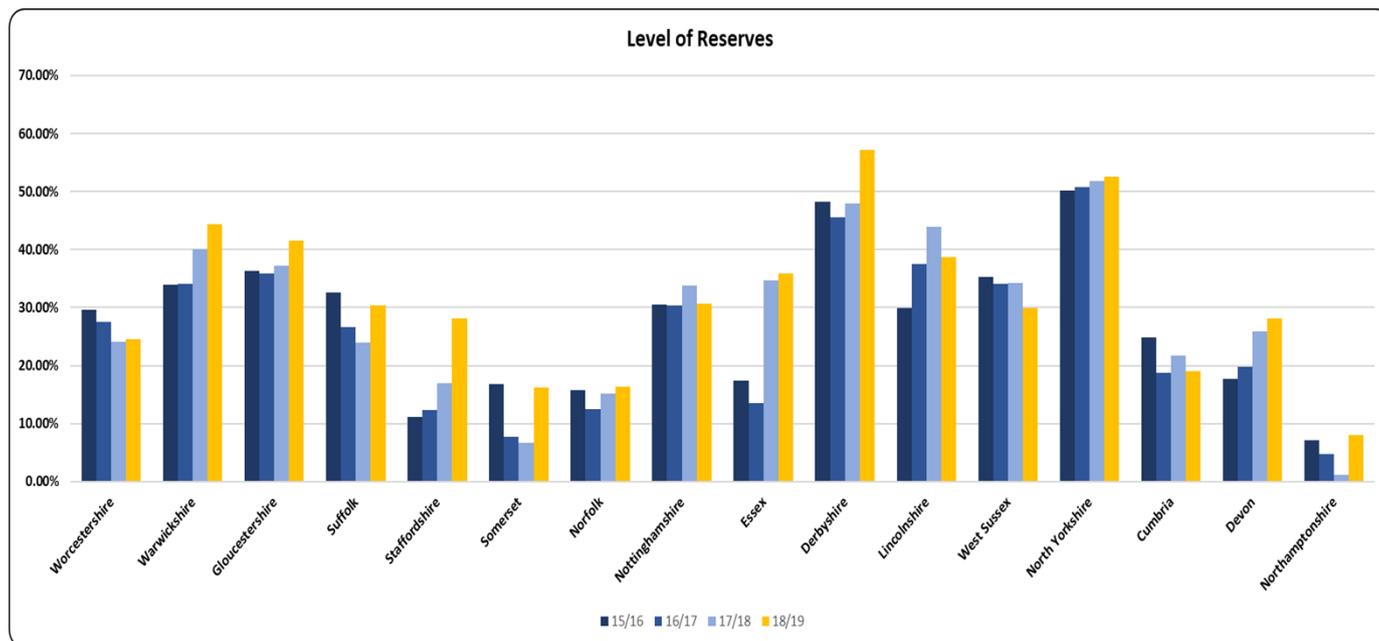
Reserves Sustainability Measure



This measure is based on a three-year rolling average therefore there is no data prior to 2017/18. The smaller the bar, the higher the risk.

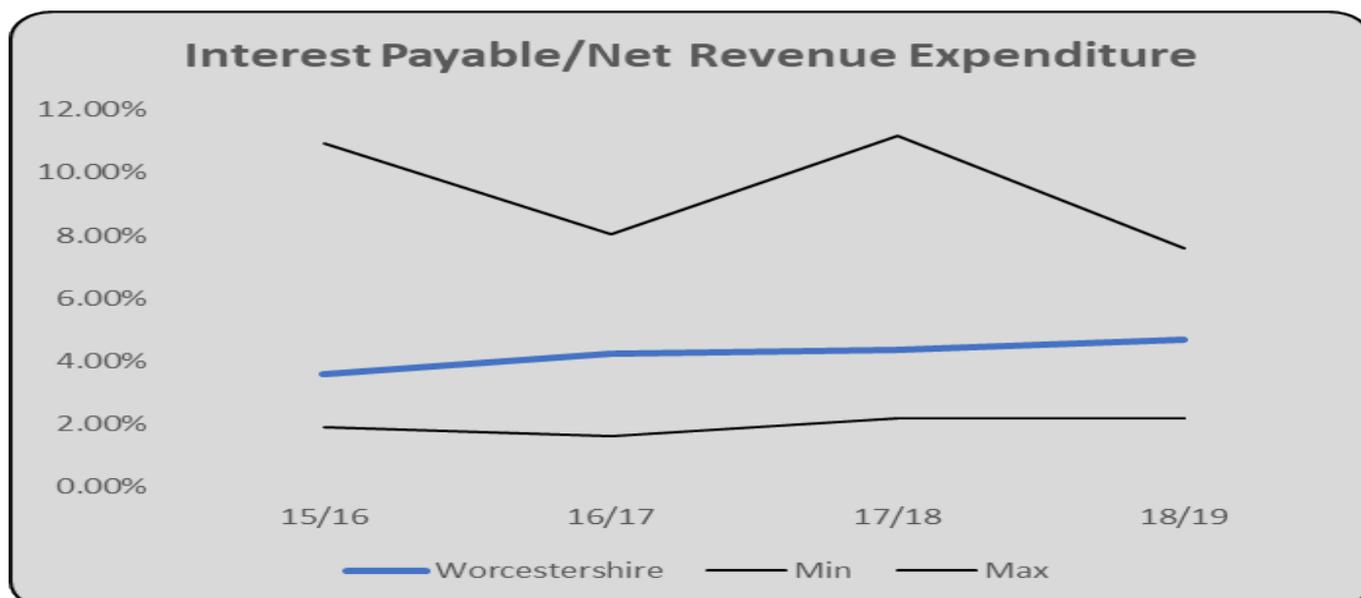
DSG and school’s reserves are excluded from this measure. A maximum of 100 is an indication that those councils have not seen significant changes in useable reserves cover.

Level of Reserves as a % of Net Revenue Expenditure



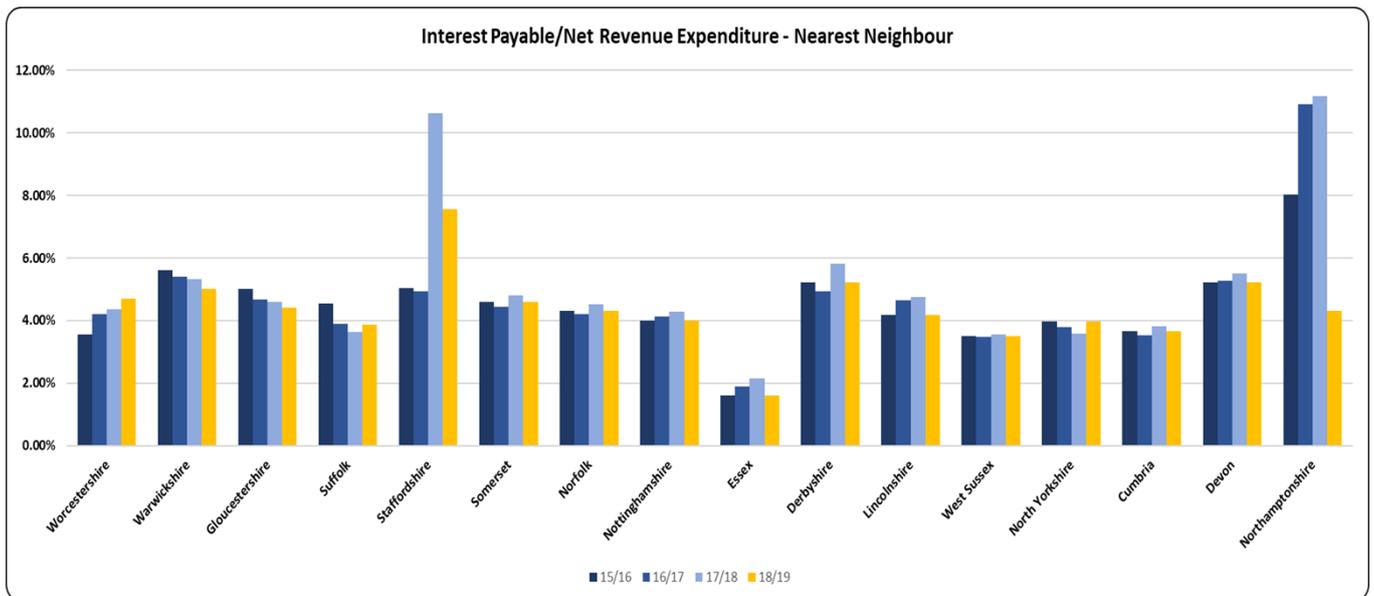
Useable reserves (excluding Public Health and schools) have been decreasing whilst net revenue expenditure has been increasing due to demand-led pressures. The reserves “buffer” has been slightly eroded although the rate of erosion has decreased over the last two years. Warwickshire & Gloucestershire have seen their reserves buffer gradually increase indicating that either they are using less reserves or they have lower Public Health and school’s reserves and therefore a higher level of “useable” reserves. Suffolk & Essex for example are increased their reserves over this period.

Interest Payable as a % of Net Revenue Expenditure

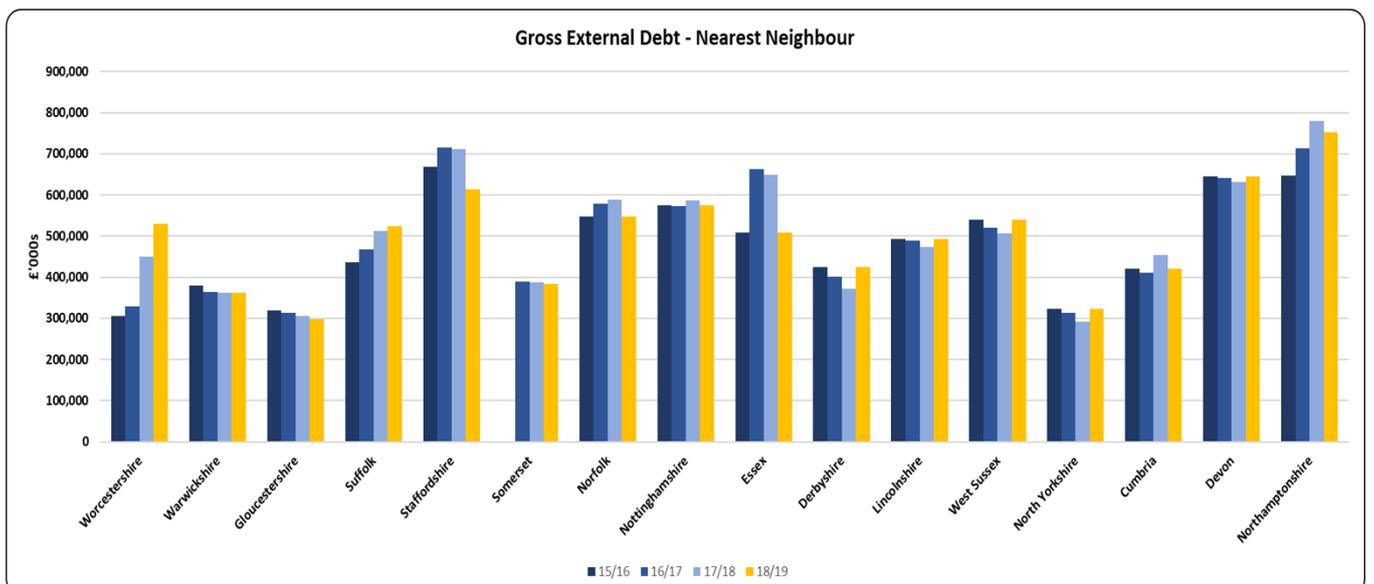


An increase in borrowing to support the capital programme has driven an increase in interest expense however WCC is well within the maximum recorded by peer Councils. Warwickshire have a static ratio indicating that either they have a less ambitious capital programme or that they have used financial instruments to fix their borrowing costs for a longer time period.

As seen below, the minimum represents the lowest value within WCC's peer group, Essex, whilst the maximum represents the highest, Northamptonshire (added in for context) and Staffordshire.

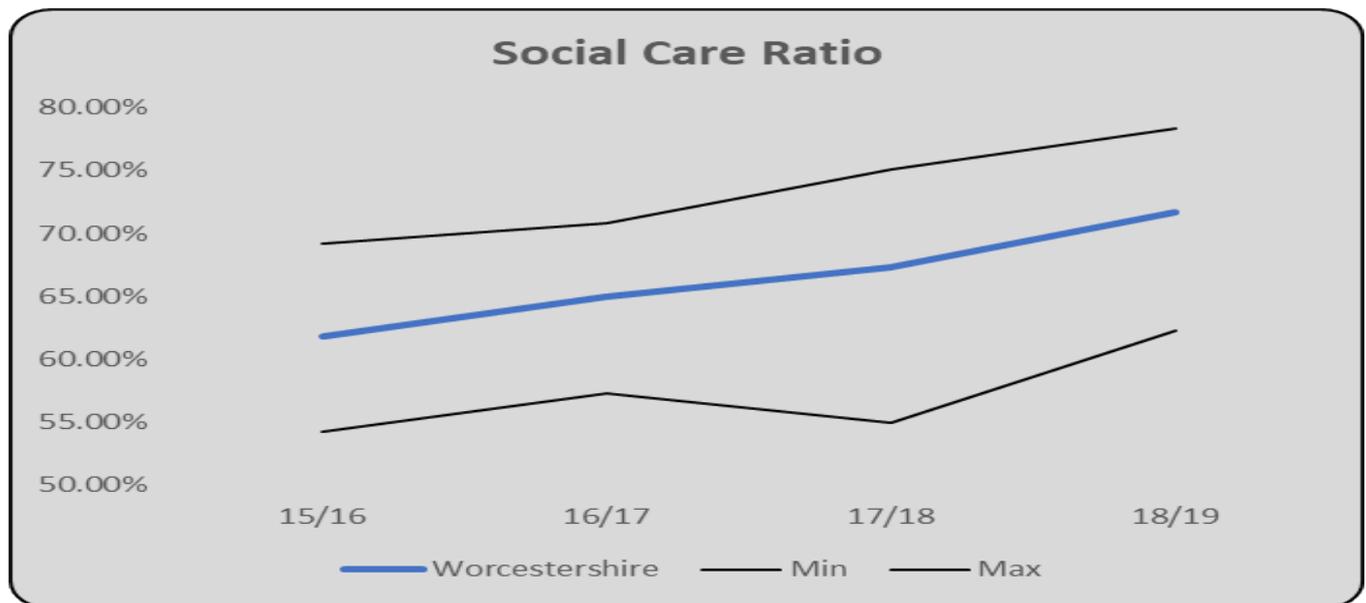


Gross External Debt

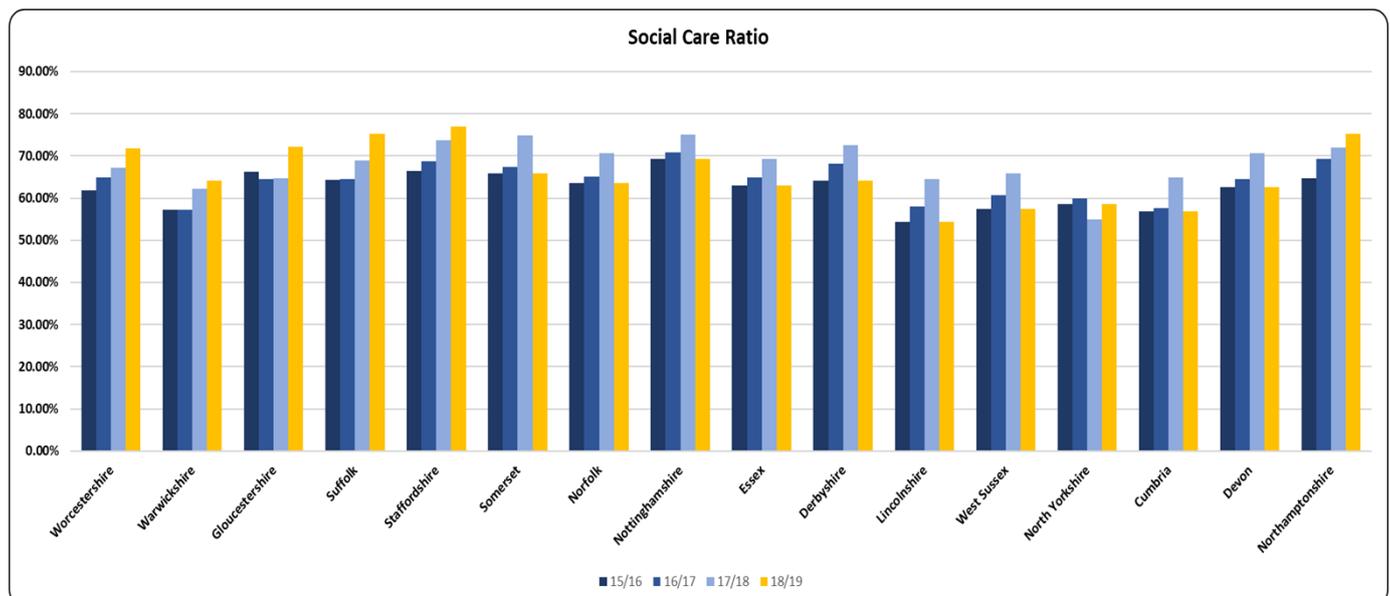


Approximately half of our peer group have seen a steady increase in borrowing over the last four years. The Council started from a lower base position, so borrowing is still considered to be manageable as interest cover (above) remains relatively stable.

Social Care Ratio

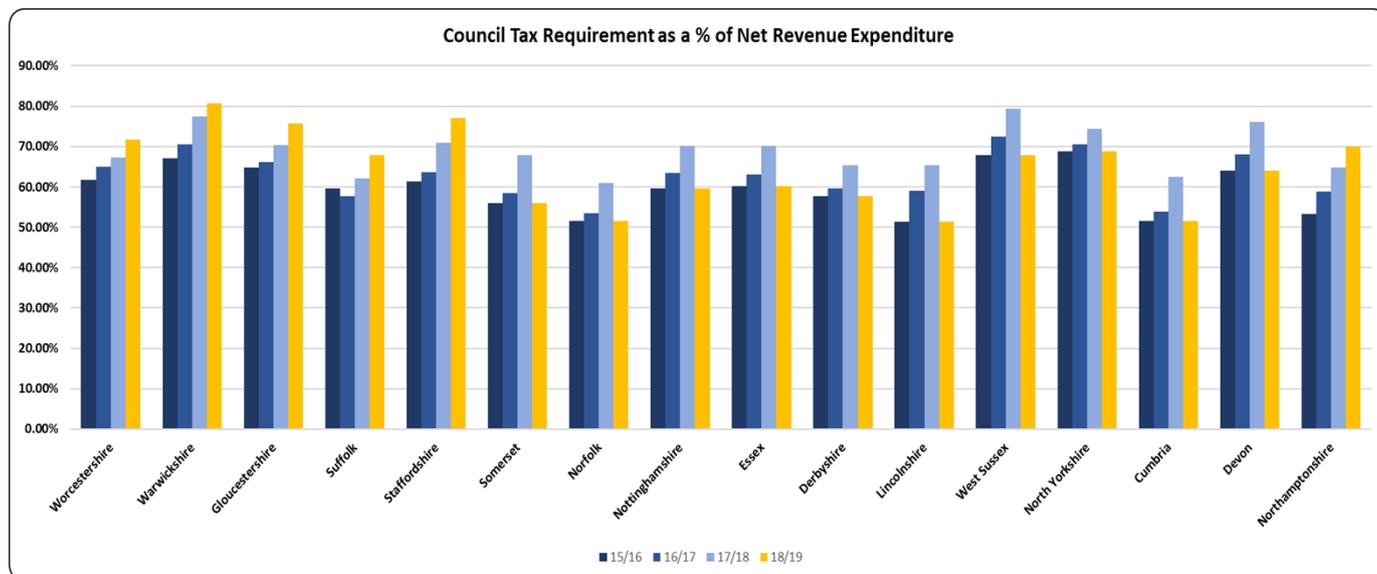


WCC has seen a steady year on year increase in spend on both adults and children's social care. The trend implies that WCC has kept up with the general actions of its peer authorities. Whilst Warwickshire continue to invest proportionately less in social care, there appears to have been an element of catch-up between 16/17 and 17/18. Notwithstanding significant increases in other expenditure categories, they appear to be heading towards the lowest proportionate social care spend amongst their peers, in this case Lincolnshire.

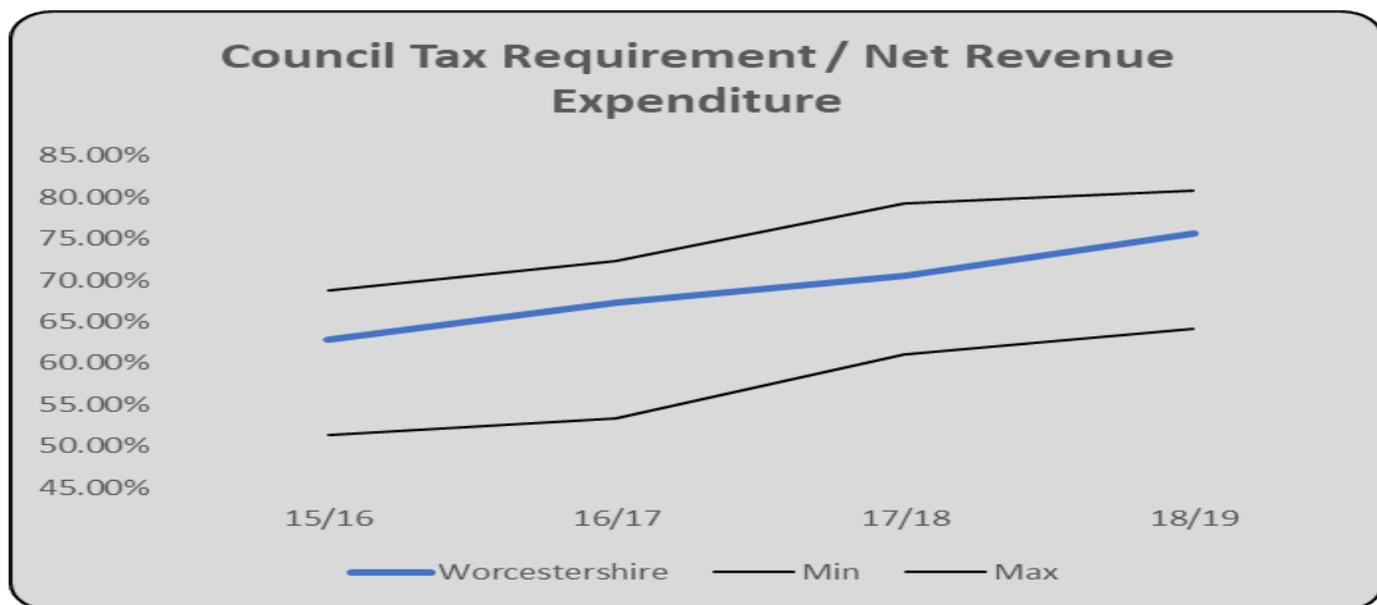


In the wider context, almost all the Council's peers have been faced with steady demand-lead increases in social care. There appears to be a correlation between this and trends in the level of reserves, above (demand increasing, reserves reducing).

Council Tax Requirement as a % of Net Revenue Expenditure

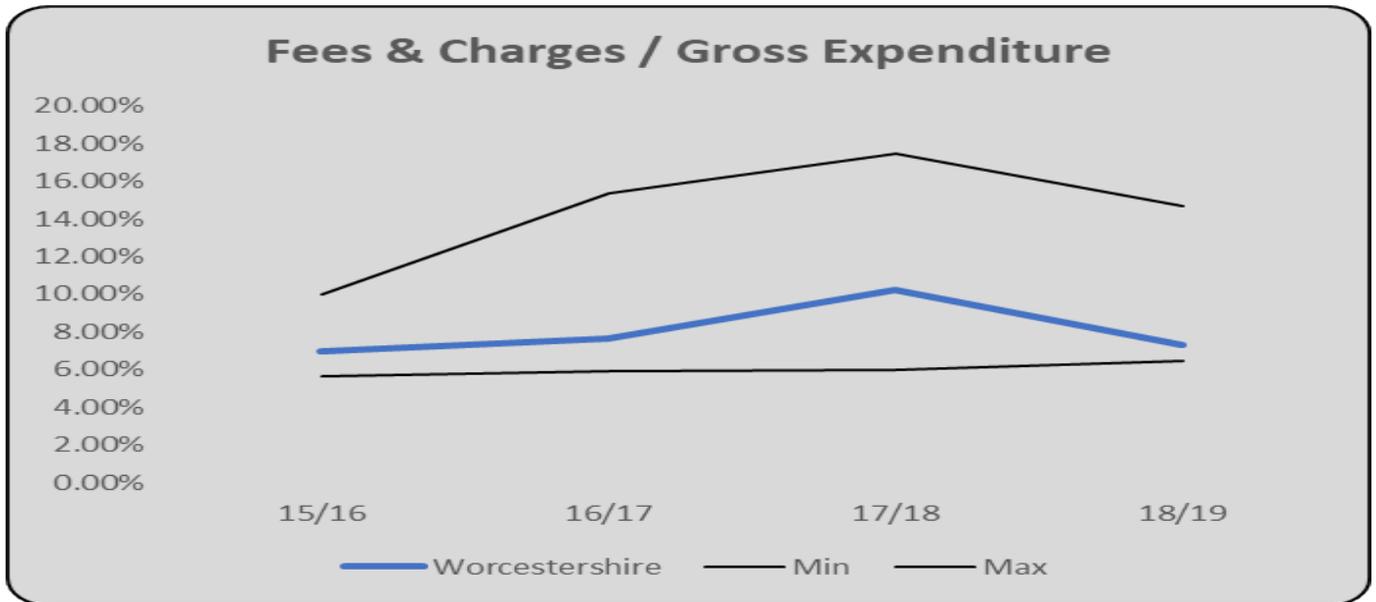


WCC's council tax requirement has steadily increased in proportion to our budget/net revenue expenditure. All councils are showing they are increasing more reliant on Council Tax as a funding source (mainly as a result of the removal of Revenue Support Grant)



The above chart shows Worcestershire's position relative to minimum and maximum comparators.

Fees & Charges as a % of Gross Expenditure



Fees and charges have remained reasonably consistent with the increase in 17/18 driven by social care (adults and children's) and environmental & regulatory other income.