

## Meeting of the City Council 2 March 2016

<b>Report title</b>	Capital Programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 budget strategy	
	Treasury Management Strategy 2016/17	
	2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20	
	Council Tax Formal Resolutions	
<b>Referring body</b>	Cabinet, 24 February 2016	
<b>Councillor to present report</b>	Councillor Roger Lawrence	
<b>Wards affected</b>	All	
<b>Cabinet Member with lead responsibility</b>	Councillor Roger Lawrence Leader of the Council	
	Councillor Andrew Johnson Resources	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor Tel Email	Director of Finance 01902 556609 <a href="mailto:Mark.Taylor@wolverhampton.gov.uk">Mark.Taylor@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Strategic Executive Board Cabinet	15 February 2016 24 February 2016

### Recommendation(s) for action or decision:

Subject to the decision of Cabinet, the Council is recommended to approve:

**Cabinet recommendations from the Capital Programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 budget strategy:**

1. The revised medium term General Fund capital programme of £246.0 million, an increase of £31.3 million from the previously approved capital programme, reflecting the latest projected expenditure for the medium term.
2. The additional resources for six new and thirty one existing General Fund projects totalling £31.3 million.

**Cabinet recommendations from the Treasury Management Strategy 2016/17 report:**

1. The authorised borrowing limit for 2016/17 as required under Section 3(1) of the Local Government Act 2003 be set at £1,008.6 million (PI 5, page 27).
2. The Treasury Management Strategy Statement 2016/17 as set out in appendix A to the report.
3. The Annual Investment Strategy 2016/17 as set out in appendix B to the report.
4. The Prudential and Treasury Management Indicators as set out in appendix C to the report.
5. The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2016/17 onwards as set out in appendix D to the report.
6. The method used to calculate MRP for 2015/16 as set out in the Annual Minimum Revenue Provision (MRP) Statement approved by Council on 4 March 2015 be amended to the method as set out in appendix D to the report.
7. The Treasury Management Policy Statement and Treasury Management Practices as set out in appendix F to the report.
8. That authority continues to be delegated to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Cabinet Member for Resources and Cabinet (Resources) Panel as appropriate.

**Cabinet recommendations from the 2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20 report:**

1. The net budget requirement for 2016/17 of £217.4 million for General Fund services.
2. The Medium Term Financial Strategy 2016/17 to 2019/20 as detailed in Table 6 and the budget preparation parameters underpinning the MTFS as detailed in Appendix B.
3. A Council Tax for Council services in 2016/17 of £1,424.29 for a Band D property, being an increase of 3.99% on 2015/16 levels, which incorporates the newly permitted 2% increase in relation to Adult Social Care.
4. In principle the acceptance of the Government's offer of a four year settlement by 14 October 2016, noting that the Financial Plan and Efficiency Strategy will be reported to Cabinet and Council ahead of final acceptance of the offer.
5. The Efficiency Plan Relating to Capital Receipts Flexibility as detailed in Appendix C.
6. That work starts on developing budget reductions for 2017/18 and progress be reported to Cabinet in July 2016.

**Council Tax formal resolutions for 2016/17:**

The resolution as follows:

1. That it be noted that the Council Tax base for the year 2016/17 is calculated at 60,405.94 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"), as reported to Cabinet on 13 January 2016.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2016/17 is £86,036,000.
3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
  - (a) £637,352,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - (b) £551,316,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £86,036,000 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

- (d) £1,424.29 being the amount at 3(c) above (Item R), all divided by Item T (section 1 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £1,424.29 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

4. To note that West Midlands Police and Fire Authorities have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Precepting Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
West Midlands Fire Authority	37.35	43.58	49.80	56.03	68.48	80.93	93.38	112.05
West Midlands Police	74.37	86.76	99.16	111.55	136.34	161.13	185.92	223.10
<b>Total Precepts</b>	<b>111.72</b>	<b>130.34</b>	<b>148.96</b>	<b>167.58</b>	<b>204.82</b>	<b>242.06</b>	<b>279.30</b>	<b>335.15</b>

5. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

Billing Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Wolverhampton City Council	949.53	1,107.79	1,266.04	1,424.29	1,740.80	2,057.31	2,373.82	2,848.59
<b>Total Billing</b>	<b>949.53</b>	<b>1,107.79</b>	<b>1,266.04</b>	<b>1,424.29</b>	<b>1,740.80</b>	<b>2,057.31</b>	<b>2,373.82</b>	<b>2,848.59</b>

6. That, having calculated the aggregate in each case of the amounts at (3) (f) and (4) above, the City Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of the Council Tax for the year 2016/17 for each of the categories of dwellings shown below:

Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Total Precepts	111.72	130.34	148.96	167.58	204.82	242.06	279.30	335.15
Total Billing	949.53	1,107.79	1,266.04	1,424.29	1,740.80	2,057.31	2,373.82	2,848.59
<b>Total Council Tax</b>	<b>1,061.25</b>	<b>1,238.13</b>	<b>1,415.00</b>	<b>1,591.87</b>	<b>1,945.62</b>	<b>2,299.37</b>	<b>2,653.12</b>	<b>3,183.74</b>

7. That a notice of the amounts payable in respect of chargeable dwellings in each valuation band for the year commencing on 1 April 2016 be published in at least one local newspaper and that in accordance with Section 3(2) of the Local Government Finance Act 1992, this notice shall also make reference to the National Non-Domestic Rating Multiplier set by the Secretary of State, and specify that the Council Tax and the non-domestic rate demands are annual demands which cover the full financial year.
8. The Council has determined that its relevant basic amount of Council for 2016/17 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
9. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2016/17 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

**Recommendations for noting:**

The Council is asked to note:

**Cabinet recommendations from the Treasury Management Strategy 2016/17 report:**

1. That as a result of the changes to the MRP policy approved and implemented during 2014/15, the MRP charge for financial years 2015/16 to 2017/18 will be zero increasing to £12.3 million in 2018/19.
2. That Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2016/17 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in appendices B and C to the report.

## **1.0 Purpose**

- 1.1 To obtain Full Council approval for the annual capital budget, treasury management strategy and revenue budget, as recommended by Cabinet and to pass the statutory formal Council Tax resolutions.

## **2.0 Background**

- 2.1 The Council's revenue and capital budgets together with the treasury management strategy require approval by Full Council on an annual basis. In addition Full Council has to pass statutory resolutions in respect of Council Tax before the commencement of each financial year.

## **3.0 Reports**

- 3.1 The budget setting information and recommendations from Cabinet are all set out in the relevant reports to Cabinet:
- Capital Programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 budget strategy – 24 February 2016
  - 2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20 – 24 February 2016
- 3.2 Cabinet recommendations in relation to the treasury management strategy are set out in the report to Cabinet:
- Treasury Management Strategy 2016/17 – 24 February 2016
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet:
- Council Tax Base and Business Rates (NDR) Net Rate Yield 2016/17 – 13 January 2016
- 3.4 All reports are available on the Council's website and may be accessed via the following links:

<http://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=4797&Ver=4>

<http://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=4795&Ver=4>

## **4.0 Financial implications**

- 4.1 The financial implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **5.0 Legal implications**

5.1 The legal implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **6.0 Equalities implications**

6.1 The equalities implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **7.0 Environmental implications**

7.1 The environmental implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **8.0 Human resources implications**

8.1 The human resources implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **9.0 Corporate landlord implications**

9.1 The corporate landlord implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **10.0 Schedule of background papers**

24 February 2016 Cabinet report - Capital Programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 budget strategy

24 February 2016 Cabinet report - Treasury Management Strategy 2016/17

24 February 2016 Cabinet report - 2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20

13 January 2016 Cabinet report - Council Tax Base and Business Rates (NDR) Net Rate Yield 2016/17