

Report title	Final Budget Report 2021-2022	
Referring body	Cabinet, 17 February 2021	
Councillor to present report	Councillor Louise Miles	
Wards affected	All Wards	
Cabinet Member with lead responsibility	Councillor Ian Brookfield, Leader of the Council Councillor Louise Miles, Resources	
Accountable director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
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Report to be/has been considered by	Strategic Executive Board	5 February 2021
	Cabinet	17 February 2021

Recommendations for decision:

The Council is recommended to approve:

Cabinet recommendations from the Capital Programme 2020-2021 to 2024-2025 Quarter Three Review and 2021-2022 to 2025-2026 Budget Strategy

1. Approve the revised City of Wolverhampton Council Capital Strategy;
2. Approve the revised, medium term General Revenue account capital programme of £316.4 million, an increase of £1.6 million from the previously approved programme, and the change in associated resources.

Cabinet recommendations from the Treasury Management Strategy 2021-2022

1. Approve the authorised borrowing limit for 2021-2022 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 to be set at £1,166.2 million (PI3, Appendix 3 of the Cabinet report); the forecast borrowing is below the authorised borrowing limit.

2. Approve the Treasury Management Strategy Statement 2021-2022 as set out in Appendix 1 of the Cabinet report.
3. Approve the Annual Investment Strategy 2021-2022 as set out in Appendix 2 of the Cabinet report.
4. Approve the Prudential and Treasury Management Indicators as set out in Appendix 3 of the Cabinet report.
5. Approve the Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2021-2022 as set out in Appendix 4 of the Cabinet report.
6. Approve the method used to calculate MRP for 2020-2021 as set out in the Annual MRP Statement approved by Council on 4 March 2020 be amended to the method as set out in Appendix 4 of the Cabinet report.
7. Approve the Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 of the Cabinet report.
8. Approve 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.
9. Approve that authority continues to be delegated to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the third credit rating agency, due to the unprecedented impact of Covid-19 on the economy.

Cabinet recommendations from the 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024

1. The net budget requirement for 2021-2022 of £258.5 million for General Fund services (paragraph 10.1 of the Cabinet report).
2. The Medium Term Financial Strategy (MTFS) 2021-2022 to 2023-2024 as detailed in Table 4 and the budget preparation parameters underpinning the MTFS as detailed in Appendix 2 of the Cabinet report.
3. A Council Tax for Council services in 2021-2022 of £1,765.49 for a Band D property, being an increase of 4.99% on 2020-2021 levels, which incorporates the 3% increase in relation to Adult Social Care, in line with Government expectations. (paragraph 8.4, Table 1 of the Cabinet report).

4. That work starts on developing budget reductions and income generation proposals for 2022-2023 onwards in line with the Five Year Financial Strategy (paragraph 10.5 of the Cabinet report).
5. Revisions to the local council tax support scheme (paragraph 8.7 of the Cabinet report).

Council Tax formal resolutions for 2021-2022:

The resolution as follows:

1. That it be noted that the Council Tax base for the year 2021-2022 is calculated at 63,580.55 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"), as reported to Cabinet on 20 January 2021).
2. Calculate that the Council Tax requirement for the Council's own purposes for 2021-2022 is £112,251,000.
3. That the following amounts be calculated for the year 2021-2022 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
 - (a) £642,718,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £530,467,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £112,251,000 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) £1,765.49 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) £1,765.49 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.

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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 and Rescue Authority	42.02	49.03	56.03	63.04	77.04	91.05	105.06	126.07
West Midlands Police and Crime Commissioner	118.37	138.09	157.82	177.55	217.01	256.46	295.92	355.10
Total Precepts	160.39	187.12	213.85	240.59	294.05	347.51	400.98	481.17

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 2021-2022 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
City of Wolverhampton Council	1,177.00	1,373.16	1,569.33	1,765.49	2,157.82	2,550.15	2,942.49	3,530.98
Total Billing	1,177.00	1,373.16	1,569.33	1,765.49	2,157.82	2,550.15	2,942.49	3,530.98

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 2021-2022 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	160.39	187.12	213.85	240.59	294.05	347.51	400.98	481.17
Total Billing	1,177.00	1,373.16	1,569.33	1,765.49	2,157.82	2,550.15	2,942.49	3,530.98
Total Council Tax	1,337.39	1,560.28	1,783.18	2,006.08	2,451.87	2,897.66	3,343.47	4,012.15

7. That a notice of the amounts payable in respect of chargeable dwellings in each valuation band for the year commencing on 1 April 2021 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 Tax for 2021-2022 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 2021-2022 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 2021-2022

1. That the MRP charge for the financial year 2021-2022 will be £18.2 million; it is forecast to increase to £25.5 million in 2022-2023 (paragraph 2.14 of the Cabinet report).
2. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2021-2022 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in paragraph 2.12 and Appendices 2 and 3 of the Cabinet report.

1.0 Purpose

- 1.1 The purpose of this report is 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 to this, 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 set out in the relevant reports to Cabinet which were presented on 17 February 2021:
- A. Capital Programme 2020-2021 to 2024-2025 Quarter Three Review and 2021-2022 to 2025-2026 Budget Strategy
 - B. 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024
- 3.2 Cabinet recommendations in relation to the treasury management strategy are set out in the report to Cabinet which was presented on 17 February 2021:
- A. Treasury Management Strategy 2021-2022
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet which was presented on 20 January 2021:
- A. Council Tax Base, Business Rates (NDR) Net Rate Yield 2021-2022, Provisional Local Government Finance Settlement Update and Outcome of Scrutiny Review
- 3.4 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website via the following links:

Cabinet - [17 February 2021](#)

Cabinet – [20 January 2021](#)

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 All other Implications

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

8.0 Schedule of background papers

8.1 Cabinet, 17 February 2021, Capital Programme 2020-2021 to 2024-2025 Quarter Three Review and 2021-2022 to 2025-2026 Budget Strategy

Cabinet, 17 February 2021, Treasury Management Strategy 2021-2022

Cabinet, 17 February 2021, 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024

Cabinet, 20 January 2021, Council Tax Base, Business Rates (NDR) Net Rate Yield 2021-2022, Provisional Local Government Finance Settlement Update and Outcome of Scrutiny Review