

<b>Report title</b>	Final Budget Report 2019-2020	
<b>Referring body</b>	Cabinet, 20 February 2019	
<b>Councillor to present report</b>	Councillor Louise Miles	
<b>Wards affected</b>	All Wards	
<b>Cabinet Member with lead responsibility</b>	Councillor Roger Lawrence, Leader of the Council Councillor Louise Miles, Resources	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board	7 February 2019
	Cabinet	20 February 2019

---

### Recommendations for decision:

The Council is recommended to approve:

#### **Cabinet recommendations from the Capital programme 2018-2019 to 2022-2023 quarter three review and 2019-2020 to 2023-2024 budget strategy**

1. Approve the City of Wolverhampton Council Capital Strategy.
2. Approve the revised medium-term General capital programme of £337.8 million, a reduction of £1.3 million from the previously approved programme and the change in associated resources.

#### **Cabinet recommendations from the Treasury Management Strategy 2019-2020**

1. The authorised borrowing limit for 2019-2020 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 be set at £1,141.5 million (PI3, Appendix 3 of the Cabinet report); the forecast borrowing is below the authorised borrowing limit.

2. The Treasury Management Strategy Statement 2019-2020 as set out in Appendix 1 of the Cabinet report.
3. The Annual Investment Strategy 2019-2020 as set out in Appendix 2 of the Cabinet report.
4. The Prudential and Treasury Management Indicators as set out in Appendix 3 of the Cabinet report.
5. The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2019-2020 as set out in Appendix 4 of the Cabinet report.
6. The Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 of the Cabinet report.
7. 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.
8. The removal of the Local Prudential Indicator LPI 2 – HRA limit on indebtedness from the 2018-2019 Prudential and Treasury Management Indicators approved by Council on 7 March 2018.

**Cabinet recommendations from the 2019-2020 Budget and Medium Term Financial Strategy 2019-2020 to 2023-2024**

1. The net budget requirement for 2019-2020 of £234.9 million for General Fund services (as set out at paragraph 18.1 of the Cabinet report).
2. The Medium-Term Financial Strategy 2019-2020 to 2023-2024 as detailed in Table 10 and the budget preparation parameters underpinning the MTFS as detailed in Appendix 1 of the Cabinet report.
3. A Council Tax for Council services in 2019-2020 of £1,617.06 for a Band D property, being an increase of 4.99% on 2018-2019 levels, which incorporates the 2% increase in relation to Adult Social Care (as set out at paragraph 7.5 of the Cabinet report).
4. That work starts on developing budget reductions and income generation proposals for 2020-2021 onwards in line with the Five Year Financial Strategy (as set out at paragraph 14.3 of the Cabinet report) and progress be reported to Cabinet in July 2019 (as set out at paragraph 18.8 of the Cabinet report).
5. The revision to the Council Tax Charges on Empty Properties and Second Homes Policy with effect from 1 April 2019 to introduce additional charges (as set out at paragraph 8.3 of the Cabinet report).

## Council Tax formal resolutions for 2019-2020:

The resolution as follows:

1. That it be noted that the Council Tax base for the year 2019-2020 is calculated at 63,996.44 (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 February 2019.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2019-2020 is £103,486,000.
3. That the following amounts be calculated for the year 2018-2019 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
  - (a) £627,862,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - (b) £524,376,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £103,486,000 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) £1,617.06 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) £1,617.06 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 Service	40.40	47.13	53.86	60.60	74.07	87.53	101.00	121.20
West Midlands Police and Crime Commissioner	101.70	118.65	135.60	152.55	186.45	220.35	254.25	305.10
<b>Total Precepts</b>	<b>142.10</b>	<b>165.78</b>	<b>189.46</b>	<b>213.15</b>	<b>260.52</b>	<b>307.88</b>	<b>355.25</b>	<b>426.30</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 2019-2020 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	1,078.04	1,257.72	1,437.39	1,617.06	1,976.40	2,335.75	2,695.10	3,234.12
<b>Total Billing</b>	<b>1,078.04</b>	<b>1,257.72</b>	<b>1,437.39</b>	<b>1,617.06</b>	<b>1,976.40</b>	<b>2,335.75</b>	<b>2,695.10</b>	<b>3,234.12</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 2019-2020 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	142.10	165.78	189.46	213.15	260.52	307.88	355.25	426.30
Total Billing	1,078.04	1,257.72	1,437.39	1,617.06	1,976.40	2,335.75	2,695.10	3,234.12
<b>Total Council Tax</b>	<b>1,220.14</b>	<b>1,423.50</b>	<b>1,626.85</b>	<b>1,830.21</b>	<b>2,236.92</b>	<b>2,643.63</b>	<b>3,050.35</b>	<b>3,660.42</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 2019 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 2019-2020 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 2019-2020 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 2019-2020**

1. That the MRP charge for the financial year 2019-2020 will be £15.4 million; it is forecast to increase to £18.2 million in 2020-2021 (paragraph 2.14 of the Cabinet report).
2. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2019-2020 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 to the Cabinet report.
3. The statements for 2019-2020 reflect the new Code of Practice on Treasury Management and the Prudential Code and also the revised guidance on Local Government Investments issued by the Ministry of Housing, Communities & Local Government (MHCLG).

## **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 20 February 2019:
- i. Capital programme 2018-2019 to 2022-2023 quarter three review and 2019-2020 to 2023-2024 budget strategy
  - ii. 2019-2020 Budget and Medium-Term Financial Strategy 2019-2020 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 20 February 2019:
- i. Treasury Management Strategy 2019-2020
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet which was presented on 23 January 2019:
- 3.4
- i. Council Tax Base and Business Rates (NDR) Net Rate Yield 2019-2020
- 3.5 All reports are available on the Council's website and may be accessed via the following links:

[Cabinet - 20 February 2019](#)

[Cabinet - 23 January 2019](#)

## **4.0 Financial implications**

- 4.1 The financial implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.  
[AS/26022019/T]

## **5.0 Legal implications**

- 5.1 The legal implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.  
[TS/20022019/T]

## **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 Health and wellbeing implications**

- 8.1 The health and wellbeing implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

## **9.0 Human resources implications**

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

## **10.0 Corporate Landlord implications**

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

## **11.0 Schedule of background papers**

Cabinet, 20 February 2019, Capital programme 2018-2019 to 2022-2023 quarter three review and 2019-2020 to 2023-2024 budget strategy

Cabinet, 20 February 2019, Treasury Management Strategy 2019-2020

Cabinet, 20 February 2019, 2019-2020 Budget and Medium Term Financial Strategy 2019-2020 to 2023-2024

Cabinet, 23 January 2019, Council Tax Base and Business Rates (NDR) Net Rate Yield 2019-2020