

Meeting of the City Council

4 March 2020

Report title	Final Budget Report 2020-2021	
Referring body	Cabinet, 19 February 2020	
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	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	10 February 2020
	Cabinet	19 February 2020

Recommendations for decision:

The Council is recommended to approve:

Cabinet recommendations from the Capital programme 2019-2020 to 2023-2024 quarter three review and 2020-2021 to 2024-2025 budget strategy

1. Approves the revised medium term General Revenue Account capital programme of £368.4 million, an increase of £41.3 million from the previously approved programme, and the change in associated resources.

Cabinet recommendations from the Treasury Management Strategy 2020-2021

1. Approve the authorised borrowing limit for 2020-2021 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 be set at £1,136.6 million (PI3, Appendix 3 of the Cabinet report); the forecast borrowing is below the authorised borrowing limit.
2. Approve the Treasury Management Strategy Statement 2020-2021 as set out in Appendix 1 of the Cabinet report.

3. Approve the Annual Investment Strategy 2020-2021 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 2020-2021 as set out in Appendix 4 of the Cabinet report.
6. Approve the Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 of the Cabinet report.
7. 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.

Cabinet recommendations from the 2020-2021 Final Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024

1. Approve the net budget requirement for 2020-2021 of £248.2 million for General Fund services (paragraph 19.1 of the Cabinet report).
2. Approve the Medium Term Financial Strategy (MTFS) 2020-2021 to 2023-2024 as detailed in Table 7 and the budget preparation parameters underpinning the MTFS as detailed in Appendix 1 of the Cabinet report.
3. Approve a Council Tax for Council services in 2020-2021 of £1,681.58 for a Band D property, being an increase of 3.99% on 2019-2020 levels, which incorporates the 2% increase in relation to Adult Social Care (paragraph 9.6 of the Cabinet report).
4. That work starts on developing budget reductions and income generation proposals for 2021-2022 onwards in line with the Five Year Financial Strategy (paragraph 19.5 of the Cabinet report).
5. Revisions to the local council tax support scheme to introduce a disregard of any compensatory payments that are similarly disregarded in the prescribed scheme, and any transitional payments made to compensate for the loss of the severe disability premium in Universal Credit (paragraph 10.5 of the Cabinet report).

Council Tax formal resolutions for 2020-2021:

The resolution as follows:

1. That it be noted that the Council Tax base for the year 2020-2021 is calculated at 64,726.80 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"), as reported to Cabinet on 22 January 2020.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2020-2021 is £108,843,000.
3. That the following amounts be calculated for the year 2020-2021 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
 - (a) £629,915,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £521,072,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £108,843,000 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) £1,681.58 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) £1,681.58 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.

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

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	41.20	48.07	54.93	61.81	75.54	89.27	103.01	123.61
West Midlands Police and Crime Commissioner	108.37	126.43	144.49	162.55	198.67	234.79	270.92	325.10
Total Precepts	149.57	174.50	199.42	224.36	274.21	324.06	373.93	448.71

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 2020-2021 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	1,121.05	1,307.90	1,494.73	1,681.58	2,055.26	2,428.95	2,802.63	3,363.16
Total Billing	1,121.05	1,307.90	1,494.73	1,681.58	2,055.26	2,428.95	2,802.63	3,363.16

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 2020-2021 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	149.57	174.50	199.42	224.36	274.21	324.06	373.93	448.71
Total Billing	1,121.05	1,307.90	1,494.73	1,681.58	2,055.26	2,428.95	2,802.63	3,363.16
Total Council Tax	1,270.62	1,482.40	1,694.15	1,905.94	2,329.47	2,753.01	3,176.56	3,811.87

7. That a notice of the amounts payable in respect of chargeable dwellings in each valuation band for the year commencing on 1 April 2020 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 2020-2021 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 2020-2021 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 2020-2021

1. That the authorised borrowing limit recommended in this report includes an increase of £5.0 million which has arisen due to changes in accounting treatment of leases.
2. That the MRP charge for the financial year 2020-2021 will be £17.9 million; it is forecast to increase to £20.9 million in 2021-2022 (paragraph 2.13 of the report).
3. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2020-2021 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 2.11 and Appendices 2 and 3 of the 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 19 February 2020:
- A. Capital programme 2019-2020 to 2023-2024 quarter three review and 2020-2021 to 2024-2025 budget strategy
 - B. 2020-2021 Final Budget and Medium Term Financial Strategy 2020-2021 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 19 February 2020:
- A. Treasury Management Strategy 2020-2021
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet which was presented on 22 January 2020:
- A. Council Tax Base and Business Rates (NDR) Net Rate Yield 2020-2021 and Provisional Finance Settlement
- 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 – [19 February 2020](#)

Cabinet – [22 January 2020](#)

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 Climate change and environmental implications

7.1 The climate change and 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, 19 February 2020, Capital programme 2019-2020 to 2023-2024 quarter three review and 2020-2021 to 2024-2025 budget strategy

Cabinet, 19 February 2020, Treasury Management Strategy 2020-2021

Cabinet, 19 February 2020, 2020-2021 Final Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024

Cabinet, 22 January 2020, Council Tax Base and Business Rates (NDR) Net Rate Yield 2020-2021 and Provisional Finance Settlement