

# Meeting of the City Council

## 1 March 2023

<b>Report title</b>	Final Budget Report 2023-2024	
<b>Referring body</b>	Cabinet, 22 February 2023	
<b>Councillor to present report</b>	Councillor Obaida Ahmed Resources and Digital City	
<b>Wards affected</b>	All Wards	
<b>Cabinet Member with lead responsibility</b>	Councillor Obaida Ahmed, Resources and Digital City	
<b>Accountable director</b>	Tim Johnson, Chief Executive	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	Claire.Nye@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board	10 February 2023
	Cabinet	22 February 2023

### Recommendations for decision:

The Council to be recommended to:

### Cabinet recommendations from the Capital Programme 2022-2023 to 2026-2027 Quarter Three Review and 2023-2024 to 2027-2028 Budget Strategy

1. Approve the updated City of Wolverhampton Capital Strategy.
2. Approve the revised, medium term General Revenue Account capital programme of £351.5 million, an increase of £11.1 million from the previously approved programme, and the change in associated resources.

### Cabinet recommendations from the Treasury Management Strategy 2023-2024

1. Approve the authorised borrowing limit for 2023-2024 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 to be set at £1,213.0 million (PI3, Appendix 3 of the Cabinet report). The authorised borrowing limit includes a forecast provision for potential business cases that may be brought forward during the

year, additional borrowing will only be authorised if the business case proves to be affordable over the medium term. The forecast borrowing is below the authorised borrowing limit.

2. Approve the Treasury Management Strategy Statement 2023-2024 as set out in Appendix 1 of the Cabinet report.
3. Approve the Annual Investment Strategy 2023-2024 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 2023-2024 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 Digital City and Cabinet (Resources) Panel as appropriate.
8. 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 current economic climate.
9. Approve that authority is delegated to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance, to amend the MRP statement should this be required following the outcome of the consultation.

### **Cabinet recommendations from the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026**

1. Approve the net budget requirement for 2023-2024 of £306.4 million for General Fund services.

2. Approve the Medium Term Financial Strategy (MTFS) 2023-2024 to 2025-2026 as detailed in Table 6 and the key assumptions underpinning the MTFS as detailed in Appendices 1 and 2 of this report.
3. Approve Council Tax for Council services in 2023-2024 of £1,909.01 for a Band D property, being an increase of 4.99% on 2022-2023 levels, which incorporates 2% in relation to Adult Social Care.
4. Approve the Reserves Strategy as detailed in Appendix 8.

### **Council Tax formal resolutions for 2023-2024:**

The resolution as follows:

1. That it be noted that the Council Tax base for the 2023-2024 is calculated at 65,994.12 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"), as reported to Cabinet on 18 January 2023.
2. Agree to calculate the Council Tax requirement for the Council's own purposes for 2023-2024 is £125,983,000.
3. Agree that the following amounts be calculated for the year 2023-2024 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
  - (a) £719,961,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - (b) £593,978,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £125,983,000 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) £1,909.01 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) £1,909.01 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 and Rescue Authority	48.68	56.79	64.90	73.02	89.24	105.47	121.69	146.03
West Midlands Police and Crime Commissioner	135.03	157.54	180.04	202.55	247.56	292.57	337.58	405.10
<b>Total Precepts</b>	<b>183.71</b>	<b>214.33</b>	<b>244.94</b>	<b>275.57</b>	<b>336.80</b>	<b>398.04</b>	<b>459.27</b>	<b>551.13</b>

5. Agree 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 2023-2024 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	1,272.67	1,484.78	1,696.90	1,909.01	2,333.24	2,757.46	3,181.68	3,818.02
<b>Total Billing</b>	<b>1,272.67</b>	<b>1,484.78</b>	<b>1,696.90</b>	<b>1,909.01</b>	<b>2,333.24</b>	<b>2,757.46</b>	<b>3,181.68</b>	<b>3,818.02</b>

6. Agree 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 2023-2024 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	183.71	214.33	244.94	275.57	336.80	398.04	459.27	551.13
Total Billing	1,272.67	1,484.78	1,696.90	1,909.01	2,333.24	2,757.46	3,181.68	3,818.02
<b>Total Council Tax</b>	<b>1,456.38</b>	<b>1,699.11</b>	<b>1,941.84</b>	<b>2,184.58</b>	<b>2,670.04</b>	<b>3,155.50</b>	<b>3,640.95</b>	<b>4,369.15</b>

7. Agree that a notice of the amounts payable in respect of chargeable dwellings in each valuation band for the year commencing on 1 April 2023 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. Agree that the Council has determined that its relevant basic amount of Council Tax for 2023-2024 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
9. Agree that as the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2023-2024 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 2023-2024**

1. That the MRP charge for the financial year 2023-2024 will be £20.6 million; it is forecast to increase to £22.4 million in 2024-2025 (paragraph 2.13 of the Cabinet report).
2. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2023-2024 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy, as set out in the paragraph 2.11 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 will be presented on 22 February 2023:
- A. Capital Programme 2022-2023 to 2026-2027 Quarter Three Review and 2023-2024 to 2027-2028 Budget Strategy
  - B. 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026
- 3.2 Cabinet recommendations in relation to the treasury management strategy are set out in the report to Cabinet which will be presented on 22 February 2023:
- A. Treasury Management Strategy 2023-2024
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet which was presented on 18 January 2023:
- A. Council Tax Base and Business Rates (NDR) Net Rate Yield 2023-2024

## **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 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, [22 February 2023, Capital Programme 2022-2023 to 2026-2027 Quarter Three Review and 2023-2024 to 2027-2028 Budget Strategy](#)

8.2 Cabinet, [22 February 2023, Treasury Management Strategy 2023-2024](#)

8.3 Cabinet, [22 February 2023, 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026](#)

8.4 Cabinet, [18 January 2023, Council Tax Base and Business Rates \(NDR\) Net Rate Yield 2023-2024](#)

8.5 Budget Book 2023-2024 ([Published on Council Website](#))