

# Meeting of the City Council

## 1 March 2017

<b>Report title</b>	Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy	
	Treasury Management Strategy 2017/18	
	2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20	
	Council Tax Formal Resolutions	
<b>Referring body</b>	Cabinet, 22 February 2017	
<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	Director of Finance
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	Email	<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	7 February 2017
	Cabinet	22 February 2017

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

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

**Cabinet recommendations from the Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy:**

1. Approve the revised medium term General Fund capital programme of £314.5 million, an increase of £14.5 million from the previously approved programme (paragraph 2.4), reflecting the latest projected expenditure for the medium term.
2. Approves the additional General Fund resources of £14.5 million identified for;
  - i. twelve new projects totalling £11.1 million (paragraph 4.1 of the Cabinet report);
  - ii. eight existing projects totalling £3.4 million (paragraphs 3.14 of the Cabinet report).

**Cabinet recommendations from the Treasury Management Strategy 2017/18:**

1. The authorised borrowing limit for 2017/18 as required under Section 3(1) of the Local Government Act 2003 be set at £1,024.1 million (PI 5, appendix C).
2. The Treasury Management Strategy Statement 2017/18 as set out in appendix A to the Cabinet report.
3. The Annual Investment Strategy 2017/18 as set out in appendix B to the Cabinet report.
4. The Prudential and Treasury Management Indicators as set out in appendix C to the Cabinet report.
5. The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2017/18 onwards as set out in appendix D to the Cabinet report.
6. The Treasury Management Policy Statement and Treasury Management Practices as set out in appendix F to 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.

**Cabinet recommendations from the 2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20:**

1. The net budget requirement for 2017/18 of £216.2 million for General Fund services (paragraph 13.4 of the Cabinet report).
2. The Medium Term Financial Strategy 2017/18 to 2019/20 as detailed in Table 6 and the budget preparation parameters underpinning the MTFFS as detailed in Appendix A to the Cabinet report.

3. The budget allocation for Adult Social Care outlined in the report in accordance with the Minimum Funding Level for Adult Social Care (section 11.0 of the Cabinet report).
4. A Council Tax for Council services in 2017/18 of £1,481.12 for a Band D property, being an increase of 3.99% on 2016/17 levels, which incorporates the 2% increase in relation to Adult Social Care (paragraph 7.3 of the Cabinet report).
5. That work starts on developing budget reductions for 2018/19 and progress be reported to Cabinet in July 2017 (paragraph 13.5 of the Cabinet report).

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

The resolution as follows:

1. That it be noted that the Council Tax base for the year 2017/18 is calculated at 61,397.45 (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 2017.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2017/18 is £90,937,000.
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
  - (a) £631,275,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - (b) £540,338,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £90,937,000 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) £1,481.12 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) £1,481.12 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	38.09	44.44	50.79	57.14	69.84	82.53	95.23	114.28
West Midlands Police and Crime Commissioner	77.70	90.65	103.60	116.55	142.45	168.35	194.25	233.10
<b>Total Precepts</b>	<b>115.79</b>	<b>135.09</b>	<b>154.39</b>	<b>173.69</b>	<b>212.29</b>	<b>250.88</b>	<b>289.48</b>	<b>347.38</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 2017/18 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	987.41	1,151.98	1,316.55	1,481.12	1,810.26	2,139.40	2,468.53	2,962.24
<b>Total Billing</b>	<b>987.41</b>	<b>1,151.98</b>	<b>1,316.55</b>	<b>1,481.12</b>	<b>1,810.26</b>	<b>2,139.40</b>	<b>2,468.53</b>	<b>2,962.24</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 2017/18 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	115.79	135.09	154.39	173.69	212.29	250.88	289.48	347.38
Total Billing	987.41	1,151.98	1,316.55	1,481.12	1,810.26	2,139.40	2,468.53	2,962.24
<b>Total Council Tax</b>	<b>1,103.20</b>	<b>1,287.07</b>	<b>1,470.94</b>	<b>1,654.81</b>	<b>2,022.55</b>	<b>2,390.28</b>	<b>2,758.01</b>	<b>3,309.62</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 2017 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 2017/18 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 2017/18 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 2017/18:**

1. That as a result of the changes to the MRP policy approved and implemented during 2014/15, the MRP charge for financial year 2017/18 will be zero increasing to £8.2 million in 2018/19 (paragraph 2.10 of the Cabinet report).
2. That Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2017/18 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 2.8 of the Cabinet report and appendices B and C to 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 22 February 2017:
- i. Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy
  - ii. 2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20
- 3.2 Cabinet recommendations in relation to the treasury management strategy are set out in the report to Cabinet which was presented on 22 February 2017:
- i. Treasury Management Strategy 2017/18
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet which was presented on 18 January 2017:
- i. Council Tax Base and Business Rates (NDR) Net Rate Yield 2017/18
- 3.4 All reports are available on the Council's website and may be accessed via the following link:

<http://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=5993&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**

10.1 Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy, report to Cabinet, 22 February 2017

10.2 Treasury Management Strategy 2017/18, report to Cabinet, 22 February 2017

10.3 2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 22 February 2017

10.4 Council Tax Base and Business Rates (NDR) Net Rate Yield 2017/18, report to Cabinet, 18 January 2017

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