



Solihull
METROPOLITAN
BOROUGH COUNCIL

FINANCIAL INFORMATION 2021/22

This leaflet contains key information about how much the Council plans to spend in 2021/22 and where the money will come from. It explains the council tax charge, including the adult social care precept, and includes details of the charges we have to pay to the West Midlands Combined Authority and the Environment Agency, together with the parish precepts for those areas of the borough which have parish councils.

Gross spending and council tax requirement

The Council has a three-year budgeting approach, which means that our focus is on balancing our planned expenditure with our forecast income in each of the three years of our medium term financial strategy. In recent years the budget process has been driven by the need to identify savings in order to achieve a balanced position, but for 2021/22 the focus has instead been on recovery from the wide-ranging effects of the coronavirus pandemic. Through the MTFs the Council has sought to safeguard the services it provides, particularly to those most vulnerable residents, by allocating additional resources to support children's services, adult social care and key community-facing services and by supporting recovery to a pre-Covid position. Taking on greater risk in our funding assumptions has enabled us to protect key services from budget reductions: a position supported by our strategic reserves.

During the course of 2020/21 the government made various funding streams available to local authorities to support specific activity related to Covid-19 and also to mitigate some of the additional costs and income losses experienced across local government. The government has confirmed that further funding will be available in 2021/22, including new grants towards shortfalls in business rates and council tax income and higher costs of local council tax support.

Solihull Council's budget and council tax for 2021/22 was approved by Full Council on 25 February 2021. The effect of our planned gross spending on the level of council tax that is set is shown below:

2020/21		2021/22
£560.3m	Solihull Council's planned gross spending	£635.9m
£6.9m	Plus net contributions to reserves and contingencies	£9.7m
(£72.4m)	Less business rates tariff and levy	(£72.5m)
£0.0m	Less collection fund deficit (gross)	(£56.5m)
(£334.2m)	Less income from specific grants, sales, rents, fees & charges	(£363.7m)
(£1.5m)	Less parish precepts	(£1.5m)
£159.1m	Net budget for Solihull Council	£151.4m
(£43.8m)	Less net business rates income	(£41.9m)
£0.0m	Plus collection fund deficit – council tax	£0.7m
£0.0m	Plus collection fund deficit – business rates	£55.8m
£0.0m	Less business rates deficit funded from government grant	(£53.3m)
(£5.1m)	Less collection fund surplus – business rates	£0.0m
(£0.8m)	Less collection fund surplus – council tax	£0.0m
£109.4m	Council tax requirement for Solihull Council (including adult social care precept)	£112.7m
£1.5m	Parish precepts	£1.5m
£110.9m	Total council tax requirement including parish precepts	£114.2m

Our council tax requirement of £112.716 million (excluding parish precepts) is divided by our council tax base for the year of 77,190 to give us the band D council tax for Solihull Council of £1,460.24 (excluding police and fire precepts). This figure is converted to the amount payable by properties in other valuation bands by applying a set multiplier, to arrive at the charge you will pay for council services.

In 2021/22 the council tax requirement includes a precept relating to adult social care which is shown separately on your council tax bill. The flexibility to charge this precept in addition to the general amount of council tax was first introduced by the government in 2016/17 in recognition of the financial pressures on adult social care services. The additional revenue raised from this precept, which will total £11.319 million in 2021/22, must be spent entirely on adult social care services. Further details are provided in the box on page 2.

Gross spending and council tax requirement

The table below shows the adult social care (ASC) precept implemented by Solihull Council each year since it was introduced in 2016/17. In accordance with government regulations, the percentage increase in the ASC precept that has to be shown on the council tax bill (column 7) represents the change from the previous year's combined total of the general council tax and the adult social care precept (column 4).

The increase shown on the ASC precept line of the council tax bill (at Band D level) is therefore calculated for 2021/22 as follows: increase in ASC precept of £21.17 divided by previous year's total council tax of £1,411.00 = 1.50%.

1	2	3	4	5	6	7
Year	Council tax – general charge Band D	Council tax - ASC precept Band D	Total council tax Band D	Increase in ASC precept compared to previous year		ASC precept increase as % of previous year's total charge
2016/17	£1,185.34	£23.47	£1,208.81	£23.47	-	2.00%
2017/18	£1,209.40	£59.73	£1,269.13	£36.26	154%	3.00%
2018/19	£1,234.66	£85.11	£1,319.77	£25.38	42%	2.00%
2019/20	£1,259.73	£98.31	£1,358.04	£13.20	16%	1.00%
2020/21	£1,285.53	£125.47	£1,411.00	£27.16	28%	2.00%
2021/22	£1,313.60	£146.64	£1,460.24	£21.17	17%	1.50%

The council tax you pay also includes the precept charged by the West Midlands Police and Crime Commissioner and the West Midlands Fire and Rescue Authority, and by your local parish council if you live in a parished area. Further details relating to the parish precepts can be found on page 5 of this leaflet.

2020/21 Band D Council Tax		2021/22 Band D Council Tax	Percentage increase on 2020/21 total	2021/22 Council tax Requirement/ Precept
£1,285.53	Council tax for Solihull – general charge	£1,313.60	1.99%	£101.4m
£125.47	Council tax for Solihull – adult social care precept	£146.64	1.50%	£11.3m
£1,411.00	Council tax for Solihull – total	£1,460.24	3.49%	£112.7m
£162.55	West Midlands Police and Crime Commissioner precept	£177.55	9.23%	£13.7m
£61.81	West Midlands Fire and Rescue Authority precept	£63.04	1.99%	£4.9m
£1,635.36	Council tax including Police & Fire precepts	£1,700.83	4.00%	£131.3m

Statement concerning adult social care funding

The Secretary of State made an offer to adult social care authorities. ("Adult social care authorities" are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly.)

The offer was the option of an adult social care authority being able to charge an additional "precept" on its council tax without holding a referendum, to assist the authority in meeting its expenditure on adult social care from the financial year 2016/17. It was originally made in respect of the financial years up to and including 2019/20. If the Secretary of State chooses to renew this offer in respect of a particular financial year, this is subject to the approval of the House of Commons.

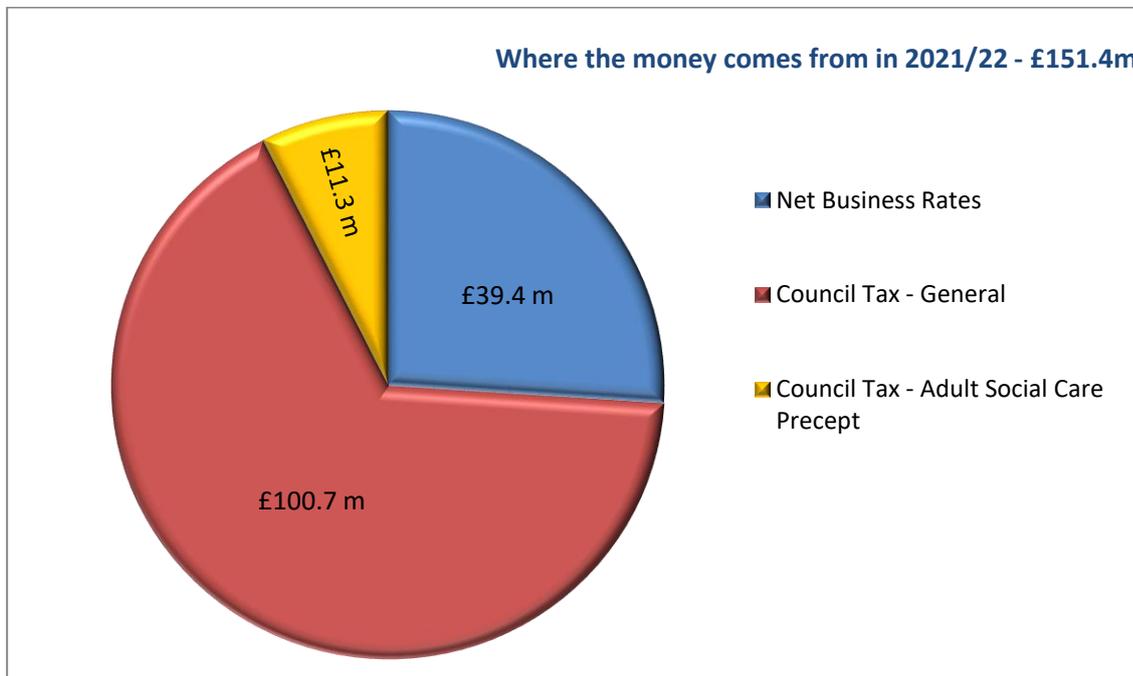
Where the money comes from

Those who occupy non-domestic properties contribute to the costs of local services through non-domestic rates, or business rates, which are collected by local councils. Under the business rates retention arrangements, councils keep a proportion of the business rates paid locally. Business rates income is one of the main sources of funding for the Council, with the other being council tax. For more information about how business rates bills are calculated, please see the Valuation Office Agency web pages at www.gov.uk/government/organisations/valuation-office-agency.

Since April 2017, Solihull has been part of a pilot with the other West Midlands metropolitan district councils, to test out 100% business rates retention. As a result, the Council keeps more business rates income than it otherwise would, but the Council no longer receives general revenue support grant funding.

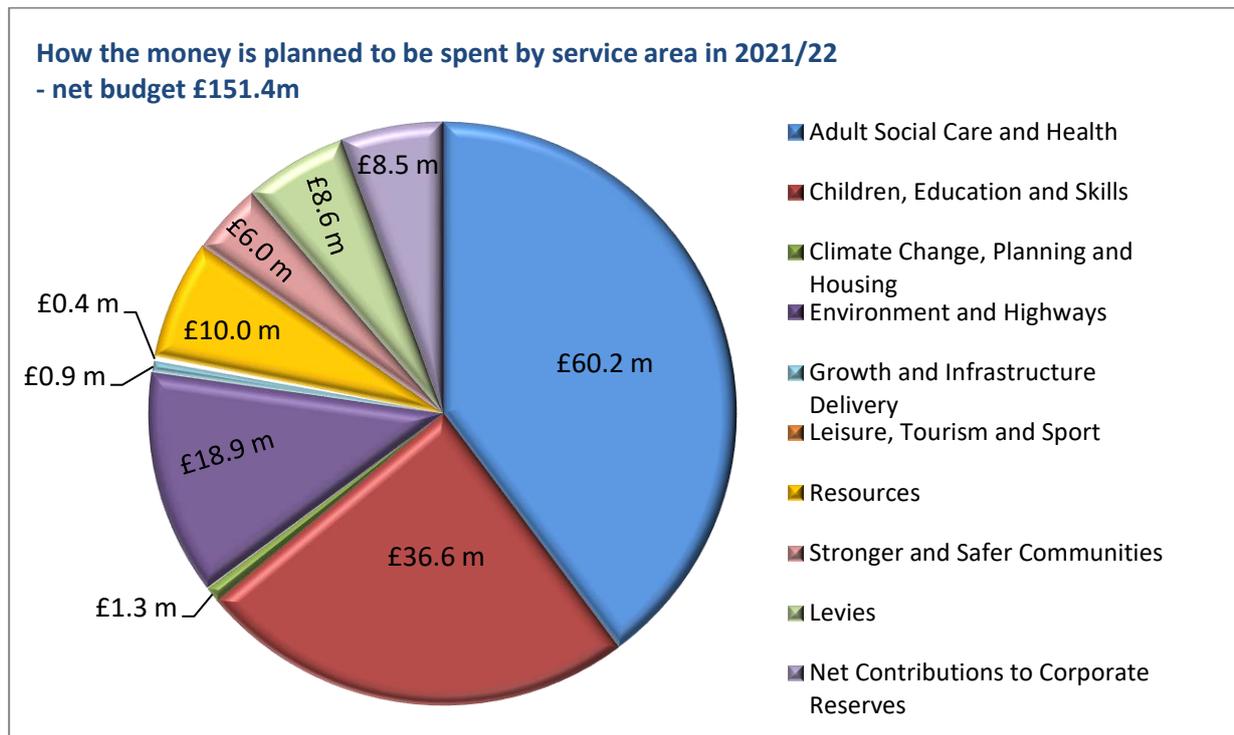
In 2020/21, the Council collected less business rates and council tax income than originally budgeted as a result of the coronavirus pandemic, which is expected to result in a deficit on the collection fund at the end of the year. The government is requiring local authorities to spread the cost of this “exceptional deficit” over the three years from 2021/22 to 2023/24. As shown in the table on page 1, the Council’s gross expenditure includes a total deficit of £56.5m, but £53.3m of this relates to business rates reliefs announced by the government in the year which are funded from specific grant. The total net deficit to be funded in the 2021/22 budget is £3.2m.

The chart below shows the proportion of the Council’s budget that is funded from business rates and council tax, which are jointly accounted for in the “collection fund”. The income generated through council tax has been split between the income generated from the adult social care precept and the income raised from the general element of council tax. The business rates figure has been reduced by the net business rates deficit of £2.5m and the income raised from the general element of council tax has been reduced by the council tax deficit of £0.7m.



How the money is planned to be spent

This chart shows how the Council’s money is planned to be spent across the Council’s different service areas in 2021/22.



January 2020	Number of full-time equivalent staff employed by Solihull Council	January 2021
2,109	Core council	2,047
2,170	Schools *	2,126
4,279		4,173

* staff funded from the Dedicated Schools Grant.
 Figures exclude any casual staff employed during the year.

Capital spending

As well as spending on day-to-day services, we also provide new assets (e.g. buildings) and replace and improve existing assets. This is known as capital spending.

We are planning to spend £115 million on capital projects (including housing) in 2021/22, compared to planned spend of £82 million in 2020/21.

Parish councils

As a billing authority we collect the parish precept amounts on behalf of the parish and town councils. Each parish council is responsible for setting its own precept charge. Details of the charges for each parish council are shown below:

2020/21			2021/22	
Total Precept	Amount at band D		Total Precept	Amount at band D
£98,255.00	£34.34	Balsall	£97,495.00	£34.33
£14,487.00	£49.44	Barston	£14,487.00	£49.11
£43,598.00	£28.18	Berkswell	£43,282.00	£28.23
£149,500.00	£60.09	Bickenhill & Marston Green	£147,461.00	£60.09
£337,452.00	£86.30	Castle Bromwich	£347,576.00	£89.77
£12,825.00	£37.61	Chadwick End	£13,209.75	£38.51
£245,393.00	£84.56	Chelmsley Wood	£250,299.00	£88.38
£70,000.00	£59.83	Cheswick Green	£52,000.00	£40.15
£82,003.00	£36.77	Dickens Heath	£81,415.00	£36.77
£82,628.10	£45.45	Fordbridge	£80,810.10	£45.45
£43,245.00	£31.00	Hampton-in-Arden	£42,966.00	£31.00
£59,303.48	£72.94	Hockley Heath	£58,789.64	£72.94
£49,310.00	£24.93	Kingshurst	£49,310.00	£25.12
£52,583.00	£41.73	Meriden	£57,880.00	£45.90
£124,000.00	£56.39	Smith's Wood	£124,000.00	£57.14
£22,500.00	£33.94	Tidbury Green	£26,000.00	£35.09
£1,487,082.58		Total Parish Precepts	£1,486,980.49	

Parish councils with precept charges of over £140,000 are required to give further details of their budgets, as shown below:

	Bickenhill & Marston Green		Castle Bromwich		Chelmsley Wood	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Organised Events & Community Activities	£0	£0	£0	£0	£6,225	£11,000
Trading Activities	£0	£0	£0	£0	£231,530	£185,250
Buildings	£13,000	£13,000	£0	£0	£121,852	£185,826
Arden Hall	£0	£0	£222,730	£208,900	£0	£0
Contingency	£11,300	£11,300	£0	£25,000	£0	£0
Finance & Administration	£132,396	£130,357	£132,000	£142,050	£97,786	£76,723
Open Spaces	£28,021	£28,021	£132,950	£136,650	£21,500	£21,500
Gross Spending	£184,717	£182,678	£487,680	£512,600	£478,893	£480,299
Less Use of Reserves	£0	£0	(£44,585)	(£104,924)	£0	£0
Less Income	(£35,217)	(£35,217)	(£105,643)	(£60,100)	(£233,500)	(£230,000)
Precept Charge	£149,500	£147,461	£337,452	£347,576	£245,393	£250,299

Charges for public transport and flood defence

The Council's planned gross spending includes charges that we have to pay to the West Midlands Combined Authority and the Environment Agency.

Transport Levy (West Midlands Combined Authority)

The charge we pay to Transport for West Midlands (TfWM), the transport arm of the West Midlands Combined Authority (WMCA), to fund public transport in the West Midlands is as follows:

2020/21		2021/22
£8,453,550	Transport levy	£8,475,912

In addition, the Council pays an annual fee of £545,175 to the West Midlands Combined Authority as part of its constituent membership.

Environment Agency Charges

The Environment Agency will charge us £91,349 for providing flood defence functions in 2021/22 (£89,713 in 2020/21). The Council pays charges to two committees of the Environment Agency, the Trent Region and the Severn and Wye Region.

2020/21	Details for the Environment Agency's Trent Region are:	2021/22
£66.717m	Planned gross spending	£58.034m
£2.137m	Total charged to local authorities	£2.180m
1,848,258	Total council tax base	1,842,498
76,993	Council tax base for Solihull	76,620
£89,033	Charge for Solihull	£90,656

2020/21	Details for the Environment Agency's Severn and Wye Region are:	2021/22
£15.808m	Planned gross spending	£28.012m
£1.174m	Total charged to local authorities	£1.197m
988,291	Total council tax base	984,865
573	Council tax base for Solihull	570
£680	Charge for Solihull	£693

Changes in the planned gross spending levels between the years reflect the programme of works for both capital and revenue needed by the Regional Flood and Coastal Committees. The total of the local levies raised by these committees has increased by 2.0%.

Further details on the budgets set by the Police and Crime Commissioner, the Fire and Rescue Authority and the West Midlands Combined Authority are available through the Council's website at:

<https://www.solihull.gov.uk/About-the-Council/Financial-documents>

For more information on the Council's spending, please see our medium term financial strategy which is available from <https://www.solihull.gov.uk/About-the-Council/Financial-documents> or you can telephone 0121 704 6245, email bss@solihull.gov.uk or write to us at: Financial Operations Division, Solihull Council, PO Box 9, Council House, Manor Square, Solihull, West Midlands B91 3QB.