

## Cabinet (Resources) Panel

23 July 2019

**Time** 5.30 pm **Public Meeting?** YES **Type of meeting** Executive

**Venue** Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

### Membership

**Chair** Cllr Louise Miles (Lab)  
**Vice-chair** Cllr Ian Brookfield (Lab)

### Labour

Cllr Harman Banger  
Cllr Peter Bilson  
Cllr Steve Evans  
Cllr Dr Michael Hardacre  
Cllr Jasbir Jaspal  
Cllr Linda Leach  
Cllr John Reynolds  
Cllr Sandra Samuels OBE

Quorum for this meeting is five Councillors.

### Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

**Contact** Dereck Francis, Democratic Services  
**Tel/Email** 01902 555835 or dereck.francis@wolverhampton.gov.uk  
**Address** Democratic Services, Civic Centre, 1<sup>st</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

**Website** <https://wolverhamptonintranet.moderngov.co.uk>  
**Email** [democratic.services@wolverhampton.gov.uk](mailto:democratic.services@wolverhampton.gov.uk)  
**Tel** 01902 550320

Please take note of the protocol for filming, recording, and use of social media in meetings, copies of which are displayed in the meeting room.

Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

# Agenda

## Part 1 – items open to the press and public

*Item No.*     *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies for absence**
- 2            **Declarations of interests**
- 3            **Minutes of the previous meeting - 18 June 2019** (Pages 5 - 14)  
[To approve the minutes of the previous meeting as a correct record]
- 4            **Matters arising**  
[To consider any matters arising from the minutes of the previous meeting]

### DECISION ITEMS (AMBER - DELEGATED TO THE CABINET (RESOURCES) PANEL)

- 5            **Revenue Budget Monitoring** (Pages 15 - 68)  
[To receive a projection of the likely revenue outturn position for the General Fund and Housing Revenue Account compared with the Council's approved revenue budgets for 2019-2020]
- 6            **New Park Village Redevelopment Programme** (Pages 69 - 80)  
[To approve proposal for the redevelopment of New Park Village]
- 7            **Appointeeship Charging** (Pages 81 - 94)  
[To approve the implementation of a charge to customers for whom Adult Social Care Act as Corporate Appointee for the Department of Work and Pensions benefit claiming purposes]
- 8            **Schedule of Individual Executive Decision Notices** (Pages 95 - 98)  
[To note the summary of open and exempt individual executive decision notices approved by cabinet members following consultation with relevant employees]
- 9            **Exclusion of press and public**  
[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below]

## Part 2 - exempt items, closed to press and public

- |    |   |  |
|----|---|--|
| 10 | <b>Procurement - Award of Contracts for Works, Goods and Services</b> (Pages 99 - 142)<br><br>[To approve the award of contracts for works, goods and services]   | Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3) |
| 11 | <b>Valuations for Property Purchases from WV Living</b> (Pages 143 - 154)<br><br>[To approve the process by which the valuations for the sale of properties from WV Living to the Council (Housing Revenue Account) are negotiated] | Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3) |
| 12 | <b>Purchase of Additional Affordable Housing Units - Former Tower and Fort Development site, Graiseley.</b> (Pages 155 - 160)<br><br>[To approve the purchase of additional affordable housing units]                               | Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3) |

This page is intentionally left blank

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet (Resources) Panel</b> <b>Minutes - 18 June 2019</b>
--	---

## Attendance

### Members of the Cabinet (Resources) Panel

Cllr Louise Miles (Chair)  
Cllr Ian Brookfield (Vice-Chair)  
Cllr Harman Banger  
Cllr Peter Bilson  
Cllr Steve Evans  
Cllr Dr Michael Hardacre  
Cllr Jasbir Jaspal  
Cllr Linda Leach  
Cllr John Reynolds  
Cllr Sandra Samuels OBE

### Employees

Tim Johnson	Managing Director
Emma Bennett	Director of Children's Services
Tracey Christie	Head of Legal Services
John Denley	Director of Public Health
Dereck Francis	Democratic Services Officer
Claire Nye	Director of Finance
Meredith Teasdale	Director of Education
David Watts	Director of Adult Services

---

## Part 1 – items open to the press and public

*Item No.*    *Title*

- 1        **Apologies for absence**  
No apologies for absence were received for the meeting.
- 2        **Declarations of interests**  
No declarations of interests were made
- 3        **Minutes of the previous meeting - 21 May 2019**  
Resolved:  
That the minutes of the previous meeting held on 21 May 2019 be approved as a correct record and signed by the Chair.

4 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

5 **Revenue Budget Outturn 2018-2019**

Councillor Louise Miles presented the report on the Council's revenue outturn position for 2018-2019 compared with approved budgets and targets. She said that the recommendations in the report emphasized that the Council took the collection of monies owed very seriously. The Council aimed to achieve a balance of showing consideration to the Council's debtors but also an awareness of the Council's own responsibilities to collect its debts. Referring to recommendations to write off debts, Councillor Miles emphasized that debts are only written off as a last resort when all feasible recovery action had been taken.

Councillor Ian Brookfield commended everyone involved in the work that had gone into achieving a small underspend on the General Fund, particularly in the challenging times local authorities faced.

Resolved:

1. That the net surplus after taxation of £40,000 for Yoo Recruit Limited be retained by the company to enable further business development.
2. That the write off of eight non-domestic rates totalling £74,802.16 as detailed in Appendix 7 to the report be approved.
3. That the write off of four sundry debts totalling £40,878.73 as detailed in Appendix 8 to the report be approved.
4. That the write off of one council tax account totalling £5,634.54 as detailed in Appendix 9 to the report be approved.
5. That the 24 virements totalling £39.8 million, for transfer within directorates, as detailed in Appendix 10 to the report be approved.
6. That it be noted that the revenue outturn position for 2018-2019 for the General Fund; a net underspend of £265,000 (-0.12%) was achieved against the net budget requirement of £229.1 million, after meeting the net cost of redundancy and pension strain, after the use of capital receipt flexibility, and contributions to essential earmarked reserves.
7. That it be noted that whilst the positive General Fund outturn position during 2018-2019, and the resulting adjustments to reserves, will help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying further projected budget reductions estimated at £27.3 million in 2020-2021, rising to £40-50 million over the medium term to 2023-2024. Cabinet will be presented with a report in July 2019 detailing the progress towards identifying budget reduction and income generation proposals to address the financial challenge.

8. That it be noted that the General Fund outturn position takes into account a number of proposed transfers to and from reserves and provisions for which approval is sought in the Reserves and Provisions 2018-2019 report to be presented at this meeting.
9. That it be noted that schools which remain under the control of the City of Wolverhampton Council have drawn down a net £1.8 million of their reserves during 2018-2019 after adjusting for the balance attributable to academies, which takes the total accumulated reserves to £5.1 million at 31 March 2019.
10. That it be noted that the Housing Revenue Account revenue outturn position for the year was a surplus before allocations of £20.7 million, compared to a budgeted surplus of £15.2 million.
11. That it be noted that the draft financial statements of Yoo Recruit Limited will be subject to external audit.
12. That it be noted that as a result of recruitment through Yoo Recruit Limited, the Council has been able to avoid fees which would have otherwise been incurred, including approximately £92,000 in relation to the permanent recruitment of individuals who had been previously employed on a temporary basis through the agency.
13. That it be noted that the Collection Fund outturned with a £983,000 surplus during 2018-2019; this resulted in an overall surplus of £841,000 to be carried forward.
14. That it be noted that 67 non-domestic rates accounts totalling £319,386.34 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
15. That it be noted that 1,354 council tax accounts totalling £445,443.79 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
16. That it be noted that 48 sundry debt accounts totalling £594,244.46 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
17. That it be noted that 20 housing benefit debt accounts totalling £16,822.18 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
18. That it be noted that 5 debts relating to Business Improvement District (BID) totalling £580.79, have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

6 **Reserves Provisions and Balances 2018-2019**

Councillor Louise Miles presented the report on the Council's earmarked reserves, provisions and general balances as at 31 March 2019, taking account of the outturn position for 2018-2019. She drew to the Panel's attention that the Director of Finance considers that the overall level of all reserves, provisions and balances was sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.

Resolved:

1. That the transfers (to)/from earmarked reserves, provisions and general balances as detailed in tables 2, 3 and 4 to the report be approved.
2. That expenditure from provisions for their purposes as set out in Appendix 3 and 4 to the report be approved, up to the value held in each provision as at 31 March 2019.
3. That the continuation of delegated authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Budget Contingency Reserve, the Regeneration Reserve, the Efficiency Reserve, the Transformation Reserve, the Development Reserve, the Regional Work Reserve, the Enterprise Zone Business Rates Reserve, the Business Rates Equalisation Reserve, the Treasury Management Equalisation Reserve, the Pension Deficit Recovery Reserve, the Budget Strategy Reserve and the Highways Management Reserve be approved.
4. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Community Initiatives and Crowdfund Wolves Reserve.
5. That the level of the Council's earmarked reserves, provisions and general balances as at 31 March 2019 and the purposes for which they are being held, as detailed in Appendix 1, 2, 3 and 4 to the report be noted.
6. That it be noted that the relevance and adequacy of earmarked reserves and general balances will be reviewed as required by the Constitution during the 2020-2021 budget setting process.
7. That it be noted that allocation of funding from all earmarked reserves will be reported to Cabinet (Resources) Panel in the scheduled quarterly budget monitoring reports.
8. That it be noted that Our Council Scrutiny Panel will scrutinise the use of reserves as part of the budget setting process as in previous years.
9. That it be noted that the Director of Finance considers that the overall level of all reserves, provisions and balances is sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.



10. That it be noted that the positive General Fund outturn position during 2018-2019, and the resulting adjustments to reserves, will help to support the Council's short-term financial position, enabling investment in community initiatives. However, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying further projected budget reductions estimated at £27.3 million in 2020-2021, rising to £40-50 million over the medium term to 2023-2024. Cabinet will be presented with a report in July 2019 detailing the progress towards identifying budget reduction and income generation proposals to address the financial challenge.
11. That it be noted that the figures quoted in the report are still subject to statutory audit by Grant Thornton UK LLP as part of the 2018-2019 accounts closedown process.

7

### **Statutory Food Service Plan**

Councillor Steve Evans presented for approval the Council's draft Food Service Plan for 2019. Delegated authority was also sought to approve the final version of the document. He drew to the Panel's attention some of the key achievements of the food team within Environmental Health and Trading Standards Service during 2018, notably a Primary Authority Partnership set up with Marstons PLC; the Trade with Confidence Consultancy service; and the relatively low number of complaints received relating to food and hygiene standards. He also corrected a minor error in the demographics contained in the Plan. The document referred to 259,926 children in poverty when it should read 25.9%.

Resolved:

1. That the draft 2019 Food Service Plan as summarised in Appendix 1 to the report be approved.
2. That authority be delegated to the Cabinet Member for City Environment in consultation with the Head of Business Services to approve the final version of the Food Service Plan.
3. That the requirement to prepare a Food Service Plan be noted.
4. That the Service's key achievements in 2018 be noted.

8

### **Transport Capital Programme 2019 - 2020 and Future Years**

Councillor Steve Evans requested approval to a programme of capital projects to develop and maintain the City's transportation network for the financial year 2019-2020 and future years, subject to available resources and annual review. Over the last three financial years £33 million had been spent on the City's network. This had been funded by a variety of sources including money the Council had raised through grants, the Local Growth Fund, Department for Transport and the West Midlands Combined Authority. Amongst some of the notable schemes for 2018-2019 included the continued City North Gateway Phase 1 (Stafford Road) project.

Resolved:

1. That the list of projects for development and implementation as part of the Transportation Capital Programme 2019-2020 and future years, as set out in appendices 3, 4, 5 and 6 to the report be approved.

2. That the Head of City Transport be authorised to proceed with development work for each project on the list including surveying, site investigation, options appraisal, feasibility analysis, traffic modelling, detailed design, statutory advertising and public consultation, as appropriate.
3. That the projects marked 'Approve' in the 'Approval' column of appendix 3 and 4 to the report be approved for implementation, subject to the availability of funding.
4. That the Cabinet Member for City Environment, in consultation with the Director for City Environment be authorised to approve, through an Individual Executive Decision Notice, implementation of the projects on the list marked 'IEDN' in the 'Approval' column of appendix 3 and 4, to the report subject to the satisfactory outcome of public consultation, availability of funding and any other relevant considerations.
5. That the Cabinet Member for City Environment, in consultation with the Director for City Environment be authorised to approve, through an Individual Executive Decision Notice, the bringing forward of projects from appendix 5 to appendix 3 or 4 to the report and thereafter to approve them for implementation during 2019-2020 subject to the satisfactory outcome of public consultation, availability of funding and any other relevant considerations.
6. That further reports be presented at the appropriate time in order to obtain the necessary authority to implement the projects marked 'Cabinet' in the 'Approval' column of appendix 3 and 4 to the report.
7. That the Chief Legal Officer be authorised to serve all necessary notices in respect of the projects listed in appendix 3 and 4 to the report and, subject to there being no unresolved objections, make traffic regulation orders as required.
8. That the Head of City Transport be authorised to make applications and bids for additional external funding noting that final agreement to receive funding is dependent on Director of Finance approval.
9. That the Director of Finance be authorised to enter into funding agreements with the various funding bodies to receive grant funding in respect of the projects included in the report.
10. That authority be delegated to the Cabinet Member for City Environment and the Cabinet Member for Resources, in consultation with the Director of City Environment / Deputy Managing Director and Director of Finance to approve capital budgets for transport projects upon receipt of a grant offer letter.
11. That the expenditure and progress made in delivering £33 million worth of projects in the Transportation Capital Programme during 2016-2017, 2017-2018 and 2018-2019 as set out in Appendix 2 to the report be noted.

12. That the Council's continuing success in bidding for additional funding and delivering new projects through the Local Growth Fund, Access to Growth, and the West Midlands Combined Authority be noted.

9 **Acquisition of Privately Owned Empty Property by Agreement or Compulsory Purchase: 91 Prestwood Road West, Wednesfield, Wolverhampton**

Councillor Peter Bilson presented the report on a proposal to authorise the acquisition of 91 Prestwood Road West, Wolverhampton by negotiation or through the making of a compulsory purchase, with a view to it being reoccupied after refurbishment. The proposal supported the Council's Empty Properties Strategy which aimed to bring long term empty properties back into use.

Resolved:

1. That the Director of City Housing be authorised to negotiate terms for the acquisition of the property 91 Prestwood Road West, Wednesfield, Wolverhampton, WV11 1HT, and, in default of that acquisition, to give authority for a compulsory purchase order (CPO) to be made under Part II Section 17 Housing Act 1985 in respect of the property.
2. That expenditure for the potential acquisition of the property, with subsequent capital receipts being recycled within the Empty Property Strategy programme be approved.
3. That in the event that the property is improved and re-occupied to the satisfaction of the Director of City Housing, the withdrawal of the property from the CPO be authorised.
4. That following any acquisition, the Director of City Housing be authorised to dispose of the property on the open market on condition that the property is refurbished and re-occupied within six or 12 months (as appropriate to the scale of the works).
5. That the Chief Legal Officer be authorised to:
  - a. Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the CPO including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry.
  - b. Approve agreements with the owners of the property setting out the terms for the withdrawal of objections to the CPO, and/or making arrangements for re-housing or relocation of any occupiers.
  - c. Approve the making of a General Vesting Declaration (the property is brought into Council ownership via this process).
  - d. Approve the disposal of the whole and/ or parts of the property by auction, tender or private treaty.

10 **Schedule of Individual Executive Decision Notices**

Resolved:

That the summary of open and exempt individual executive decisions approved by the appropriate Cabinet Members following consultation with the relevant employees be noted.

11 **Exclusion of press and public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A of the Act.

## **Part 2 - exempt items, closed to press and public**

12 **Procurement - Award of Contracts for Works, Goods and Services**

The Panel considered proposals for the award of contracts for works, good and services.

Resolved:

1. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Reedham Gardens Development when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Facilities Management Lightning Protection Repairs and Maintenance and when the evaluation process is complete.
3. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Facilities Management Electrical Repairs and Maintenance when the evaluation process is complete.
4. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Facilities Management Mechanical Repairs and Maintenance when the evaluation process is complete.
5. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Facilities Management Building Repairs and Maintenance when the evaluation process is complete.
6. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Facilities Management Water Testing when the evaluation process is complete.

7. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Property Management Partner when the evaluation process is complete.
8. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Housing, to approve the award of a contract for Lift Inspections, Testing and Maintenance when the evaluation process is complete.
9. That the extension of the current contracts for Supported Living for a period of one month from 1 August 2019 to 31 August 2019 be approved.
10. That authority be delegated to the Cabinet Member for Adults, in consultation with the Director of Adult Services, to approve the award of a contract for Supported Living Framework for Adults with Disabilities when the evaluation process is complete.
11. That authority be delegated to the Cabinet Member for Children and Young People in consultation with the Director of Children's Services to approve the award of a contract for Young Persons' Supported Accommodation and Outreach Service and Young Families Supported Accommodation and Outreach Service when the evaluation process is complete.
12. That the Chief Legal Officer and staff with appropriate delegated authority be authorised to execute contracts in respect of the above as required.

13

**Land and Property Transactions – Corporate Landlord**

Councillor Peter Bilson presented the report on a proposal to declare the Beldray Building surplus to the Council's requirements and to approve the disposal strategy for the asset. The proposal would generate both capital and revenue efficiencies for the Council.

Resolved:

1. That following asset be declared surplus to the Council's requirements:
  - Beldray Building
2. That disposal of the asset via either informal tender or auction upon terms and conditions to be agreed, be approved.

14

**Boscobel Estate Residential Repairs - Leaseholder Options**

Councillor Peter Bilson presented the report on a proposal to introduce a scheme to assist leaseholds on the Boscobel Estate which was undergoing substantial investment. The scheme was similar to the one that had been applied to leaseholders facing significant financial charges due to regeneration works on the Heath Town estate.

Resolved:

1. That the options for Boscobel leaseholders as set out at section 3 of the report be approved.

2. That authority be delegated to the Cabinet Member of City Assets and Housing, in consultation with the Director of City Housing to agree the buy-back of individual properties that meet the criteria as set out at section 3 of this report.
3. That it be noted that there is an existing capital budget as approved at Cabinet in January 2019, for the purchase of additional social housing units using Right to Buy receipts to fund 30% of the costs. This budget will be used to purchase any leasehold properties in the Boscobel Estate that meet the criteria as detailed in this report.
4. That it be noted that a further report will be presented to Cabinet (Resources) Panel in due course to consider and agree a set of principles regarding leasehold properties on other flatted estates that will be subject to further extensive refurbishment works and leaseholder charges.

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet (Resources) Panel</b> <b>23 July 2019</b>
--	---

Report title	Revenue Budget Monitoring	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles	
Key decision	Resources	
In forward plan	Yes	
Wards affected	Yes	
Accountable Director	All	
Originating service	Tim Johnson, Managing Director	
Accountable employee	Strategic Finance	
	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	2 July 2019

---

### Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the use of £735,000 from the Regeneration Reserve to fund various development works and schemes as detailed at paragraph 5.4.
2. Approve the use of £8,000 from the Community Initiatives and Crowdfund Wolves Reserve to community led projects in the City as detailed at paragraph 5.5.
3. Approve the use of £5,000 from the Art Gallery Touring Exhibitions Reserve to support the costs of touring exhibitions as detailed at paragraph 5.6.
4. Approve the use of £4.3 million from the Adult Social Care Reserve to address in year forecast pressures across Adult Services as detailed at paragraph 5.7.
5. Approved the use of £500,000 from the Highways Management Reserve and to support Highways and Transportation projects and programmes as detailed in paragraph 5.8.

6. Approve the use of £135,000 from the Efficiency Reserve to fund Business Support Programme as detailed at paragraph 5.9.
7. Approved the use of £19,000 from the Transformation Reserve to fund library transformation programme for Finchfield and Central Libraries as detailed in paragraph 5.10.
8. Approved the contribution of £147,000 from ICTS to the Transformation Reserve to accommodate one off revenue costs of the OLM project going live in 2020-2021 as detailed in paragraph 5.11.
9. Approve the use of £122,000 from the Budget Contingency Reserve to fund academy conversion deficit as detailed in paragraph 5.12.
10. Approve 21 virements totalling £9.5 million, for transfers within directorates, as detailed in Appendix 4.
11. Approve a virement totalling £4.1 million, for transfers within the Housing Revenue Account, as detailed in paragraph 9.6.
12. Approve the establishment of supplementary expenditure budgets within the 2019-2020 approved budgets as detailed in paragraph 4.0 for grant funded expenditure.
13. Approve a grant payment to The Way Youth Zone in 2019-2020 as detailed in paragraph 4.3.
14. Approve the write off of nine Non-Domestic Rates (NDR) debts totalling £85,990.09 as detailed in Appendix 5.
15. Approve the write off of four Council Tax debts totalling £27,623.83 as detailed in Appendix 6.
16. Approve the write off of five sundry debts totalling £66,544.02 as detailed in Appendix 7.

**Recommendations for noting:**

The Cabinet (Resources) Panel is asked to note:

1. The overall projected outturn for the General Fund for 2019-2020 is forecast to be an overspend in the region of £2.2 million.
2. That this position is not untypical at this point in the financial year. The forecast overspend is largely attributable to demand led services. It is important to note that it is early in the financial year, and all services will be asked to deliver further in year savings in order to address the projected overspend.



3. That at this stage in the financial year it is difficult to forecast redundancy costs. However, based on recent years it is anticipated that the cost of redundancies can be met from reserves.
4. That a £21.1 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £16.9 million as shown at Table 20 and in detail at Appendix 3. The projected increased surplus of £4.2 million will be used to redeem debt in line with the HRA Business Plan.
5. That 43 sundry debt accounts totalling £84,954.63, as detailed in paragraph 8.3, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 628 council tax accounts totalling £316,018.38, as detailed in paragraph 8.5, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
7. That 73 Non-Domestic Rates (NDR) debts totalling £319,318.71, as detailed in paragraph 8.6, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
8. That 13 housing benefit overpayments totalling £1,746.93, as detailed in paragraph 8.9, have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

## **1.0 Purpose**

- 1.1 The purpose of this report is to provide Cabinet (Resources) Panel with a projection of the likely revenue outturn position for the General Fund and Housing Revenue Accounts, compared with the Council's approved revenue budgets for 2019-2020.
- 1.2 This is the first report of this financial year detailing the likely outturn projection for 2019-2020.

## **2.0 Background**

- 2.1 The General Fund outturn position for 2018-2019, as reported to Cabinet (Resources) Panel on 18 June 2019, was an underspend totalling £265,000 (-0.12%) against the net budget requirement of £229.1 million, after meeting the net cost of redundancy and pension strain costs, after the use of capital receipts flexibility, and contribution to essential earmarked reserves. The Housing Revenue Account revenue outturn position for the year was a surplus before allocation of £20.7 million, compared to a budgeted surplus of £15.2 million.
- 2.2 On 6 March 2019, the Council approved the net budget requirement for 2019-2020 of £234.9 million for General Fund services. This report details the likely outturn projections against this net budget requirements.
- 2.3 The Council continues to be faced with a challenging projected financial position over the medium term, and significant budget reduction and income generation proposals are required in order to achieve a robust financial position. The Budget 2019-2020 and Medium Term Financial Strategy 2019-2020 to 2023-2024 approved by Full Council on 6 March 2019, identified that the Council would be faced with finding further projected budget reductions totalling £27.3 million for 2020-2021, rising to £40-£50 million over the medium term period to 2023-2024. It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction and income generation proposals amounting to £9.6 million over the five-year period from 2019-2020 to 2023-2024. Having identified budget reductions in excess of £220.0 million over the last eight financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.
- 2.4 A report will be presented to Cabinet in July 2019, which will include a high-level strategy towards addressing the projected budget deficit over the medium term period.
- 2.5 Overall, the General Fund projected outturn for 2019-2020 is currently forecast to overspend against the net budget by approximately £2.2 million, as analysed in Table 1.

**Table 1 – 2019-2020 General Fund Revenue Budget Projected Outturn**

	Net Controllable Budget 2019-2020	Projected Outturn 2019-2020	Projected Variation	
			Over/(Under)	
	£000	£000	£000	%
Adult Services	64,272	65,300	1,028	1.60%
Children's Services	53,981	54,531	550	1.02%
Public Health and Wellbeing	891	891	-	0.00%
City Environment	22,876	23,321	445	1.95%
City Assets and Housing	9,063	9,697	634	7.00%
Regeneration	5,825	5,840	15	0.26%
Finance	13,985	13,639	(346)	-2.47%
Governance	6,379	6,359	(20)	-0.31%
Managing Director	2,255	2,195	(60)	-2.66%
Deputy Managing Director	9,556	9,556	-	0.00%
Corporate Budgets	39,988	39,488	(500)	-1.25%
Education and Skills	5,863	6,304	441	7.51%
<b>Net Budget Requirement</b>	<b>234,934</b>	<b>237,121</b>	<b>2,187</b>	<b>0.93%</b>
Council Tax (including Adult Social Care Precept)	(103,486)	(103,486)	-	0.00%
Enterprise Zone Business Rates	(2,800)	(2,800)	-	0.00%
Top Up Grant	(26,152)	(26,152)	-	0.00%
Business Rates (net of WMCA growth payment and Collection Fund deficit)	(71,931)	(71,931)	-	0.00%
New Homes Bonus	(2,080)	(2,080)	-	0.00%
Section 31 Grant - Business Rates Support	(10,611)	(10,611)	-	0.00%
Improved Better Care Fund	(12,947)	(12,947)	-	0.00%
Winter Pressures and Social Care Grants - Adult Social Care	(3,727)	(3,727)	-	0.00%
Levy Account Surplus (2018-2019)	(1,200)	(1,200)	-	0.00%
<b>Total Resources</b>	<b>(234,934)</b>	<b>(234,934)</b>	<b>-</b>	<b>0.00%</b>
<b>Net Budget (Surplus) / Deficit</b>	<b>-</b>	<b>2,187</b>	<b>2,187</b>	<b>0.93%</b>

- 2.6 It is currently forecast that the outturn position for 2019-2020 will be an overspend in the region of £2.2 million. This position is not untypical for this point in the financial year. The forecast overspend is largely attributable to demand led services. It is important to note that it is early in the financial year, and all services will be asked to deliver further in year savings in order to address the projected overspend.
- 2.7 An update on the General Fund budget risks is provided at section 6.0. Overall the risk for 2019-2020 is currently assessed as Red as the Council has significant budget reductions to deliver and income to achieve.
- 2.8 It is important to note that at this stage in the financial year it is difficult to forecast redundancy costs. However, based on recent years it is anticipated that the cost of redundancies can be met from reserves.
- 2.9 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval at this meeting. There are 21 General Fund virements that require approval in this report as detailed in Appendix 4.
- 2.10 The most significant factors contributing towards the projected net overspend against the budget are reported on a service-by-service basis in section 3.0 and in detail in Appendix 1.
- 2.11 The forecast outturn position for the Housing Revenue Account is a surplus of £21.1 million, compared to a budgeted surplus of £16.9 million. The projected additional surplus of £4.2 million will be used to redeem debt to comply with the Council's approved HRA Business Plan.

### 3.0 General Fund Revenue Budget Monitoring: Service Analysis

#### Adult Services

- 3.1 A summary of the projected outturn against the Adult Services 2019-2020 revenue budget is provided in Table 2, whilst a detailed analysis is provided in Appendix 1.

**Table 2 – 2019-2020 Revenue Budget Projected Outturn – Adult Services**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Adult Services	64,272	65,300	1,028	1.60%

- 3.2 Overall a net overspend of £1.0 million (1.60%) is projected for the year against Adult Services. The main factors contributing towards this overspend is as a result of:
1. An overspend is forecast within Learning Disabilities Care Purchasing totalling £803,000 as a result of an increase in demand for care packages.
  2. An overspend is forecast within Mental Health Assessment & Care Management totalling £234,000 as a result of an increase in demand for care packages.
  3. An overspend is forecast within Older People Provider Services totalling £120,000 as a result of a delay in Community Equipment Store restructure and pressures on equipment purchase.
- These overspends are partially offset by forecast underspends within the following services:
4. An underspend forecast within Independent Living Service totalling £152,000 as a result of unfilled staff vacancies and additional income.
  5. An underspend is forecast within Strategic Commissioning – Adults totalling £128,000 as a result of unfilled staff vacancies.

Resources which had been earmarked to address the overspends detailed above have had to be redirected to meet the cost of the fee uplift given to providers for 2019-2020 to ensure market stability. The forecast overspend position of £1.0 million includes the use of £4.3 million from Adult Social Care reserve and other one-off resources. A number of proposals are being developed by the service with the aim of meeting the forecast overspend from existing budgets. It should be noted that the growing demand within this service continues to represent a significant financial risk and budget pressure over the medium term. This situation is not unique to Wolverhampton and is a position seen nationally.

## Children's Services

- 3.3 A summary of the projected outturn against the Children's Services 2019-2020 revenue budget is provided in Table 3, whilst a detailed analysis is provided in Appendix 1.

**Table 3 – 2019-2020 Revenue Budget Projected Outturn – Children's Services**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Children's Services	53,981	54,531	550	1.02%

- 3.4 Overall a net overspend of £550,000 (1.02%) is projected for the year against Children's Services. The main factors contributing towards this overspend is as a result of:
1. An overspend forecast within the Children and Young People in Care service totalling £1.1 million as a result of continued pressures against the placements budget, partially offset by efficiencies across staffing budgets and additional income from the Home Office for unaccompanied asylum-seeking children. Whilst Wolverhampton has seen a modest decrease in the number of children and young people in care, we have seen average weekly external placement costs increase. We are continuing to buck the national trend, as many councils continue to see numbers increase significantly. Under the Transforming Children's Services Programme, we have a robust approach to managing demand which includes a sophisticated methodology for projecting children and young people in care and the associated costs. The current forecast includes a prudent adjustment against the projection assumptions at this stage in the year, it is therefore anticipated that further savings will be realised as the year progresses.

This overspend is partially offset by underspends within the following services:

2. An underspend forecast within the Strengthening Families service totalling £389,000 mainly as a result of unfilled staff vacancies. We continue to see reductions in Section 17 and no recourse to public funds demand, a positive outcome of a dedicated project to standardise processes and payments across the service.
3. An underspend is forecast within Strategic Commissioning Children's service as a result of unfilled staff vacancies totalling £128,000.

## Public Health and Wellbeing

- 3.5 A summary of the projected outturn against the Public Health and Wellbeing 2019-2020 revenue budget is provided in Table 4, whilst a detailed analysis is provided in Appendix 1.

**Table 4 – 2019-2020 Revenue Budget Projected Outturn – Public Health and Wellbeing**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Public Health and Wellbeing	891	891	-	0.00%

3.6 Overall a net balanced budget is projected for the year against Public Health and Wellbeing. The main factors contributing towards achieving a balanced budget is a result of:

1. An underspend is forecast within Commissioning service totalling £177,000 as a result of one-off unfilled staff vacancies.
2. This underspend is offset by a number of services forecasting overspends collectively totalling £177,000 within Public Health and Wellbeing.

### City Environment

3.7 A summary of the projected outturn against the City Environment 2019-2020 revenue budget is provided in Table 5, whilst a detailed analysis is provided in Appendix 1.

**Table 5 – 2019-2020 Revenue Budget Projected Outturn – City Environment**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
City Environment	22,876	23,321	445	1.95%

3.8 Overall a net overspend of £445,000 (1.95%) is projected for the year against City Environment. The main factors contributing towards this overspend is as a result of:

1. An underachievement of income is forecast within Parking Services totalling £201,000 as a result of reduced parking income due to regeneration projects in the city centre.
2. An overspend is forecast within Street Lighting totalling £103,000 as a result of increase in the electricity tariff charged by the energy company.

## City Assets and Housing

- 3.9 A summary of the projected outturn against the City Assets and Housing 2019-2020 revenue budget is provided in Table 6, whilst a detailed analysis is provided in Appendix 1.

**Table 6 – 2019-2020 Revenue Budget Projected Outturn – City Assets and Housing**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
City Assets and Housing	9,063	9,697	634	7.0%

- 3.10 Overall a net overspend of £634,000 (7.0%) is projected for the year against City Assets and Housing. The main factors contributing towards this overspend is as a result of:
1. An under recovery of income forecast within the Capital Programme Projects and Works team, totalling £275,000 as a result of no variable income generation opportunities.
  2. Reduced income recovery within Facilities Management, associated with the Community Centres and as a result of the management of vacant properties within Facilities Management totalling £355,000.

- 3.11 The City Assets review has commenced and will progress throughout the financial year to monitor and review budget pressures within this service.

## Regeneration

- 3.12 A summary of the projected outturn against the Regeneration 2019-2020 revenue budget is provided in Table 7, whilst a detailed analysis is provided in Appendix 1.

**Table 7 – 2019-2020 Revenue Budget Projected Outturn – Regeneration**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Regeneration	5,825	5,840	15	0.26%

- 3.13 Overall a net overspend of £15,000 (0.26%) is projected for the year against Regeneration.



## Finance

- 3.14 A summary of the projected outturn against the Finance 2019-2020 revenue budget is provided in Table 8, whilst a detailed analysis is provided in Appendix 1.

**Table 8 – 2019-2020 Revenue Budget Projected Outturn – Finance**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Finance	13,985	13,639	(346)	-2.47%

- 3.15 Overall a net underspend of £346,000 (-2.47%) is projected for the year against Finance. The main factors contributing towards this underspend is as a result of:
1. An underspend is forecast within Revenue and Benefits totalling £101,000 due to the anticipated early delivery of employee savings planned for 2020-2021.
  2. An underspend is forecast within Central Corporate Budgets totalling £225,000 due to lower than anticipated enhanced pension costs and bank charges.

## Governance

- 3.16 A summary of the projected outturn against the Governance 2019-2020 revenue budget is provided in Table 9, whilst a detailed analysis is provided in Appendix 1.

**Table 9 – 2019-2020 Revenue Budget Projected Outturn – Governance**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Governance	6,379	6,359	(20)	-0.31%

- 3.17 Overall a net underspend of £20,000 (-0.31%) is projected for the year against Governance.

## Managing Director

- 3.18 A summary of the projected outturn against the Managing Director 2019-2020 revenue budget is provided in Table 10, whilst a detailed analysis is provided in Appendix 1.

**Table 10 – 2019-2020 Revenue Budget Projected Outturn – Managing Director**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Managing Director	2,255	2,195	(60)	-2.66%

- 3.19 Overall a net underspend of £60,000 (-2.66%) is projected for the year against Managing Director.

#### **Deputy Managing Director**

- 3.20 A summary of the projected outturn against the Deputy Managing Director 2019-2020 revenue budget is provided in Table 11, whilst a detailed analysis is provided in Appendix 1.

**Table 11 – 2019-2020 Revenue Budget Projected Outturn – Deputy Managing Director**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Deputy Managing Director	9,556	9,556	-	0.00%

- 3.21 Overall a balanced budget is projected for the year against Deputy Managing Director.

#### **Corporate Budgets**

- 3.22 A summary of the projected outturn against the Corporate Budgets 2019-2020 revenue budget is provided in Table 12, whilst a detailed analysis is provided in Appendix 1.

**Table 12 – 2019-2020 Revenue Budget Projected Outturn – Corporate Budgets**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Corporate Budgets	39,988	39,488	(500)	-1.25%

- 3.23 Overall a net underspend of £500,000 (-1.25%) is projected for the year against Corporate Budgets. The main factor contributing to this underspend is as early indications predict that the central provision for auto-enrolment will not be needed in its entirety in this financial year.

### **Education and Skills**

- 3.24 A summary of the projected outturn against the Education and Skills 2019-2020 revenue budget is provided in Table 13, whilst a detailed analysis is provided in Appendix 1.

**Table 13 – 2019-2020 Revenue Budget Projected Outturn – Education**

	2019-2020 Controllable Budget £000	2019-2020 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Education and Skills	5,863	6,304	441	7.51%

- 3.25 Overall a net overspend of £441,000 (7.51%) is projected for the year against Education and Skills. The main factors contributing towards this overspend is as a result of:
1. An overspend is forecast within School Planning & Resources totalling £354,000 as a result of a loss in trading income from schools for 2019-2020 Academic Year. A review of structure and services is to be undertaken.

This overspend is offset by underspends within a number of other services within Education.

## **4.0 Changes to Grant Funded Expenditure**

- 4.1 It is not always possible to reflect all grant funded expenditure in the budget approved by Full Council prior to the start of the financial year. This is due to late notification from grant awarding bodies of grant amounts, use of historic grants and proactive grant applications during the year.
- 4.2 Approval is sought from the Panel to establish supplementary expenditure budgets within the 2019-2020 approved budgets as set out in the table below, and in accordance with the grant terms and conditions. This will have no effect on the Council's net revenue budget as the expenditure is fully funded from grant.

**Table 14 – Grant Approval sought from this Panel**

<b>Grant Name</b>	<b>Description of the activities this grant will fund</b>	<b>Awarding body</b>	<b>Expenditure 2019-2020 £000</b>
Special Education Needs and Disabilities (SEND) Preparation for Employment	Use of historic grant to recruit one-year fixed term post.	Department for Education (DFE)	53

- 4.3 Approval is sought from this Panel to approve an additional grant payment of £100,000 to The Way Youth Zone. This brings the total grant payment for 2019-2020 to £200,000. This shows the Councils commitment to support The Way Youth Zone in the city, including specifically some short-term outreach work

## **5.0 Reserves and Balances**

- 5.1 The General Fund Balance remains unchanged at £10.0 million.
- 5.2 In addition to the General Fund balance, the Council also holds a number of earmarked reserves. The total earmarked reserves balance including school balances at the end of 2018-2019 was £58.6 million.

### **Transfers to/from Earmarked Reserves**

- 5.3 Approval is sought for a number of transfers to/from earmarked reserves, as set out in the following paragraphs. In the event that the use of capital receipts replaces previously approved earmarked reserve drawdowns as a result of the new capital receipts flexibilities announced by central government, an update will be provided to Cabinet and Council.

## **5.4 Regeneration Reserve**

Approval is sought from this meeting for the use of £735,000 from the Regeneration Reserve to fund expenditure as shown in Table 6. If the reserve drawdown is approved by Cabinet (Resources) Panel, there will be an unallocated balance in the region of £700,000 for the Regeneration Reserve.

**Table 15 – Allocations from the Regeneration Reserve**

Service	Amount Allocated £000	Details
City Development	50	Funding is requested for professional fees to ensure vacant possession can be offered in accordance with the development agreement - for Westside/ Southside.
City Development	125	Funding is requested for feasibility options for Bilston town centre programme with West Midlands Combined Authority, including design works for town centre & Bilston Urban Village east.
City Development	125	Funding is requested to progress a number of projects identified in the Industrial Sites Delivery Programme, which include Land at Nicholls Lane and at the Science Park.
City Development	40	Funding is requested for professional advice to support the business case for the Council utilising its head lease to enable developments led by ION proposed for Steam Mill and Sack Works.
Local Economy	2	Funding is required to support the development of externally funded bids in particular European Regional Development Fund (ERDF).
Skills	13	Funding is requested to carry out the outstanding activities including, website development costs, marketing and project support the Workbox.
Visitor Economy	20	Funding is requested for preparation of ten-year business plan for Civic and Wulfrun Halls.
Corporate Asset Management	50	Funding is requested for feasibility study for a proposed Public Sector Hub (Broad Street Car Park).
City Development	50	Funding is requested to fund various activities that have been identified to bring development forward for St Georges.
City Development	40	Funding is requested for legal and commercial advice, and for professional studies / reports for Brewers Yard.
City Development	40	Funding is requested for the next stage of feasibility around the wider masterplan area for Canalside.
City Development	100	Funding is requested for design, survey and project management fees associated with the detailed design stages of phases 2 and 3 of the Westside Link.
City Development	30	Funding is requested to explore opportunities to redevelop a number of vacant units in the city centre as part of Regeneration priorities.
City Development	50	Funding is requested for City Learning Quarter legal & other professional costs associated with feasibility works for site development.

### **Community Initiatives and Crowdfund Wolves Reserve**

- 5.5 Approval is sought for the use of £8,000 from the Community Initiatives and Crowdfund Wolves Reserve to support community led projects in the City.

### **Art Gallery Touring Exhibitions Reserve**

- 5.6 Approval is sought for the use of £5,000 from the Art Gallery Touring Exhibitions Reserve to support the cost of touring exhibitions.

### **Adult Social Care Reserve**

- 5.7 Approval is sought for the use of £4.3 million from the Adult Social Care Reserve to address in year forecast pressures across Adult Services.

### **Highways Management Reserve**

- 5.8 Approval is sought for the use of £500,000 from the Highways Management Reserve to supplement a range of transportation and highway projects across the City. This will include the development and design of schemes and the delivery of specific improvements.

### **Efficiency Reserve**

- 5.9 Approval is sought from this meeting for the use of £135,000 from the Efficiency Reserve to fund expenditure as shown in Table 16.

**Table 16 – Allocations from the Efficiency Reserve**

<b>Service</b>	<b>Amount Allocated £000</b>	<b>Details</b>
Corporate Business Support	77	Funding is requested to fund a Business Support Unit Manager for Business Support Programme.
Corporate Business Support	58	Funding is requested to fund a Business Analyst for Business Support Programme.

### **Transformation Reserve**

- 5.10 Approval is sought from this meeting for the use of £19,000 from the Transformation Reserve to fund library transformation programme for Finchfield and Central Libraries.

### **Transformation Reserve**

- 5.11 Approval is sought from this meeting for contribution of £147,000 from ICTS to the Transformation Reserve to accommodate one off revenue costs of the OLM project going live in 2020-2021.

## Budget Contingency Reserve

- 5.12 Approval is sought from this meeting for contribution of £122,000 from the Budget Contingency Reserve to fund deficit balance for St Patricks RC School as conversion has been directed by Department of Education through a sponsored arrangement as detailed in paragraph 7.5.

## 6.0 General Fund Budget Monitoring – Risk Management

- 6.1 The overall level of risk associated with the budget 2019-2020 is assessed as Red, it is important to note, however, that the Council has significant budget reductions to deliver and income to achieve. The main areas of risk are summarised in the table at Appendix 2.

## 7.0 Revenue Budget Monitoring – Schools’ Budgets

- 7.1 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year; 31 May and 31 October. Returns submitted on 31 May estimated that overall balances would reduce from £5.1 million to £319,000 as shown in Table 17.

**Table 17 – Projected Movement on Schools’ Balances 2019-2020**

Sector	Balances as at 31 March 2019  Surplus / (Deficit) £000	Forecast Use of Balances in 2019-2020  Surplus / (Deficit) £000	Forecast Balances as at 31 March 2019  Surplus / (Deficit) £000
Secondary	(2,042)	699	(1,343)
Primary	3,576	(2,055)	1,521
Junior	155	(67)	88
Infant	97	(23)	74
Nursery	1,065	(698)	367
Special	773	(1,034)	(261)
Pupil Referral Units	1,458	(1,585)	(127)
<b>Total</b>	<b>5,082</b>	<b>(4,763)</b>	<b>319</b>

## Schools with Surplus Balances

- 7.2 At the end of 2018-2019 maintained schools had balances of £5.1 million. 23 schools were identified as having balances above recognised thresholds detailed in the local scheme (5% for secondary schools and 8% for primary, special and nursery schools). Schools are expected to report their intended use of surplus balances for review and challenge, to determine any need for further action. The report is a 2 phased process; the first of which is due before the summer holidays.

- 7.3 The Scheme for Financing Schools establishes an arbitration process to review the Authority's decision and determine if, and to what level, any excess balances should be recovered. Officers met with schools to challenge the 2017-2018 excess surplus balances, and, having considered the cases put forward by individual schools, there were no recommendations for the arbitration panel in March 2019, and no funds have been clawed back from schools during 2018-2019.

#### **Schools in a deficit position**

- 7.4 As part of its overview of schools in deficit, a Schools at Financial Risk Board (SaFR), chaired by the Head of School Organisation, reviews the financial information from schools in deficit to evaluate the financial position of the schools. The chair of Schools Forum is also a member of the board. The position currently on schools that had anticipated a deficit position at the end of 2018-2019 is as follows:

**Table 18 – Schools with anticipated deficits in 2018-2019**

<b>Name</b>	<b>Balance at the end of 2017-2018 Surplus / (Deficit) £000</b>	<b>Anticipated balance at end of 2018-2019 Surplus / (Deficit) £000</b>	<b>Actual Balance at end of 2018-2019 Surplus / (Deficit) £000</b>	<b>Status</b>
St Matthias	(1,244)	(1,116)	(1,003)	A deficit recovery plan and application have been received and are under consideration.
The King's Church of England	(450)	(641)	(1,055)	Licensed deficit was approved in 2018-2019. This will continue to be reviewed against progress on a regular basis.
St Patrick's RC Primary	25	(28)	(48)	The school is due to convert to an academy in September, and any deficit at this point, will remain with the Local Authority. A licensed deficit application has been received and will now be considered.
Dovecotes Primary	(21)	(20)	(46)	The school have been issued with a licensed deficit application, and this will be considered once received by the Local Authority.



## Deficits Following Sponsored Academy Conversion

- 7.5 The schools surplus or deficit balance on conversion to academy status usually transfers at the same time. However, where the conversion is directed by the Department for Education (DfE) through a sponsorship arrangement any deficit remains with the local authority. Such costs must be met from the Authority's General Fund, and at Quarter 1, it is anticipated that these costs will be in the region of £122,000 in this financial year, as illustrated in Table 19 below. Approval from this panel is therefore sought to fund the academy conversion deficit from the Budget Contingency Reserve.

**Table 19 – Schools expected to convert to Academies during 2019-2020**

School	Conversion route	Forecast Balance at conversion Surplus / (Deficit) £000	LA responsible for deficit?
St Patrick's RC Primary	Sponsored	(122)	Yes
St Anthony's RC Primary	Convertor	(35)	No
Holy Trinity RC Primary	Convertor	85	No

- 7.6 The Local Government Association (LGA) has stated that this policy is unfair on local authorities. However, Department for Education (DfE) have said that academies are a vital part of the plan form transforming education and that the accumulated deficits for sponsored academies must be met by local authorities.

## 8.0 Debt Write Offs

- 8.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.

### Sundry Debtors

- 8.2 Income is due to the Council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the Council's best efforts, not all of this income will actually be collected, the Council makes provision for bad and doubtful debts, which it charges directly to the General Fund.
- 8.3 Overall, 48 debt write offs totalling £151,498.65 have been incurred. All but five valued at £66,544.02 in total, which require the approval of this Panel (see Appendix 7), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.

## The Collection Fund

- 8.4 The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund

account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates (non-domestic rates) income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the council tax or business rates provision as appropriate.

- 8.5 **Council Tax** – Overall, 632 debt write offs totalling £343,642.21 have been incurred. All but four valued at £27,623.83 in total, which require the approval of Cabinet (Resources) Panel (see Appendix 6), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 8.6 **Non-Domestic Rates (NDR)** – Overall, 82 debt write off totalling £405,308.80 have been incurred. All but nine valued at £85,990.09 in total, which require approval of Cabinet (Resources) Panel (see Appendix 5), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.

### **Housing Benefits**

- 8.7 Housing benefit overpayments occur when rent rebate or rent allowance awards exceed a recalculated entitlement. Whilst the Council aims to limit the incidence of overpayments they may occur for a number of reasons including as a result of fraud or error. In general, overpaid benefit is written off in line with Government guidance where recovery would cause hardship, where the debtor has died or cannot be traced.
- 8.8 The Council receives Government subsidy in respect of overpaid housing benefit at rates of between 40% and 100% according to the circumstances in which the overpayment arose. The unsubsidised element of any overpayment is charged to the General Fund.
- 8.9 Overall, 13 overpayments totalling £1,746.93 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.

### **9.0 Housing Revenue Budget Monitoring**

- 9.1 The table below shows the latest forecast revenue outturn against budget for the Housing Revenue account (HRA). The forecast outturn position for the year is a surplus of £21.1 million, compared to a budgeted surplus of £16.9 million. The projected additional surplus of £4.2 million will be used to redeem debt to comply with the Council's approved HRA Business Plan.

**Table 20 – Housing Revenue Account Projected Outturn 2019-2020**

	<b>Budget £000</b>	<b>Projected Outturn £000</b>	<b>Projected Variation £000</b>
Total income	(96,527)	(95,721)	806
Total expenditure	68,883	64,853	(4,030)
Net cost of HRA services	(27,644)	(30,868)	(3,224)
Interest payments etc.	10,794	9,771	1,023
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(16,850)	(21,097)	(4,247)
<i>Allocation of (surplus)/deficit</i>			
Provision for redemption of debt	16,850	21,097	4,247
<b>Balance for the year</b>	-	-	-

- 9.2 The main factors contributing towards the underspend for the HRA are discussed in the paragraphs below.
- 9.3 Rental income from dwellings and service charges is forecast to be lower than budgeted by £806,000 due to higher than anticipated right to buy sales.
- 9.4 Provision for the depreciation of fixed assets is forecast to be £3.9 million lower than budget. This is due to a review of the method of the component-based calculation.
- 9.5 Forecast interest charges are £1.0 million lower than budgeted. This has been based on the 2018-2019 borrowing outturn. The year end debt figure was lower than budgeted due to rephasing in the capital programme.
- 9.6 Due to these variances, approval is sought from this Panel to action virements which will result in the budget for provision of redemption of debt increasing by £4.1 million to £20.95 million. The budget for interest will be reduced by £1.0 million, the budget for depreciation will be reduced by £3.9 million and the income budgets for dwelling rents and service charges will be reduced by £0.7 million and £0.1 million respectively.

## **10.0 Evaluation of alternative options**

- 10.1 The write-offs, virements and use of reserve requests requiring the approval of Cabinet (Resources) Panel are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources.

## **11.0 Reason for decision(s)**

- 11.1 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval of Cabinet (Resources) Panel. Contribution to and from reserves also requires the approval from Cabinet (Resources) Panel. The

write-offs, virements and use of reserve requests detailed in this report which seek the approval of Cabinet (Resources) Panel are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources.

## **12.0 Financial Implications**

- 12.1 The financial implications are discussed in the body of the report.  
[MH/15072019/S]

## **13.0 Legal Implications**

- 13.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.  
[DC/15072019/D]

## **14.0 Equality Implications**

- 14.1 This report provides details of the projected outturn for 2019-2020. The necessary equalities analysis will form part of the 2020-2021 budget setting process.

## **15.0 Environmental Implications**

- 15.1 A range of services focused upon the Council's environmental policies is supported through revenue budgets reviewed in this report. Changes in levels of funding will be considered as such changes are proposed.

## **16.0 Human resources implications**

- 16.1 Revenue Budget Monitoring reports on forecast outturn position of all Council services. There are no relevant human resources implications arising from this report.

## **17.0 Corporate landlord implications**

- 17.1 There are no relevant corporate landlord implications arising from this report.

## **18.0 Health and Wellbeing Implications**

- 18.1 Revenue Budget Monitoring reports on forecast outturn position of all Council services including services which seek to improve the health and wellbeing of all population of City of Wolverhampton.

## **19.0 Schedule of Background Papers**

- 19.1 2019-2020 Final Budget and Medium Term Financial Strategy 2019-2020 to 2023-2024, report to Cabinet, 20 February 2019.

- 19.2 Budget 2019-2020 and Medium Term Financial Strategy 2019-2020 to 2023-2024, report to Full Council, 6 March 2019.
- 19.2 Reserves, Provisions and Balances 2018-2019, report to Cabinet (Resources) Panel, 18 June 2019.
- 19.4 Revenue Budget Outturn 2018-2019, report to Cabinet (Resources) Panel, 18 June 2019.

## **20.0 Appendices**

- 20.1 Appendix 1 – Revenue Budget Monitoring
- 20.2 Appendix 2 – General Fund Budget Risks 2018-2019
- 20.3 Appendix 3 – Housing Revenue Account Budget Monitoring
- 20.4 Appendix 4 – General Fund Budget Virements
- 20.5 Appendix 5 – Non-Domestic rates (NDR) Write-offs
- 20.6 Appendix 6 – Council Tax Write Offs
- 20.7 Appendix 7 – Sundry Debtors Write Offs

This page is intentionally left blank

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Adult Services</b>					
Adults Assessment and Care Management	(160)	(178)	(18)	(11.25%)	
Carer Support	936	915	(21)	(2.24%)	
Community Financial Support	1,602	1,602	-	0.00%	
Community Support	803	803	-	0.00%	
Emergency Duty Team	336	353	17	5.06%	
Independent Living Service	1,826	1,674	(152)	(8.32%)	The forecast underspend is as a result of unfilled staff vacancies and additional income.
Learning Disabilities Care Purchasing	16,383	17,186	803	4.90%	The forecast overspend is as a result of an increase in demand for care packages.
Learning Disability Provider	4,810	4,804	(6)	(0.12%)	
Mental Health Assessment & Care Management	4,881	5,115	234	4.79%	The forecast overspend is as a result of an increase in demand for care packages.
Older People Care Purchasing	20,289	20,368	79	0.39%	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
Older People Provider Services	4,477	4,597	120	2.68%	The forecast overspend is as a result of a delay in Community Equipment Store restructure and pressures on equipment purchase.
Physical Disabilities Care Purchasing	4,411	4,508	97	2.20%	
Quality Assurance and Policies	373	384	11	2.95%	
Director of Adults services and Additional Monies	1,141	1,133	(8)	(0.70%)	
Strategic Commissioning - Adults	2,164	2,036	(128)	(5.91%)	The forecast underspend is as a result of unfilled staff vacancies.
<b>Total Adult Services</b>	<b>64,272</b>	<b>65,300</b>	<b>1,028</b>	<b>1.60%</b>	



General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Children's Services</b>					
Strengthening Families	11,375	10,986	(389)	(3.42%)	The forecast underspend is as a result of unfilled staff vacancies totalling £205,000. We continue to see a reduction in Section 17 of £106,000 and no recourse to public funds demand of £75,000, a positive outcome of a dedicated project to standardise processes and payments across the service.
Headstart	(73)	(73)	-	0.00%	
Inclusion Support	1,319	1,320	1	0.08%	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
Children & Young People In Care	30,694	31,756	1,062	3.46%	The forecast overspend is as a result of continued pressures against the placements budgets, this is partially offset by efficiencies across staffing budgets and additional income from the Home Office for unaccompanied asylum-seeking children. Whilst Wolverhampton has seen a modest decrease in the number of children and young people in care, we have seen average weekly external placement costs increase. We are continuing to buck the national trend, as many councils continue to see numbers increase significantly. Under the Transforming Children's Services Programme, we have a robust approach to managing demand which includes a sophisticated methodology for projecting children and young people in care and the associated costs. The current forecast includes a prudent adjustment against the projection assumptions at

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
					this stage in the year, it is therefore anticipated that further savings will be realised as the year progresses.
Safeguarding	2,945	2,946	1	0.03%	
Director of Children's Services	1,644	1,624	(20)	(1.22%)	
Specialist Support	2,756	2,789	33	1.20%	
Youth Offending	1,156	1,146	(10)	(0.87%)	
Strategic Commissioning - Children's	2,165	2,037	(128)	(5.91%)	The underspend is as a result of unfilled staff vacancies.
<b>Total Children's Services</b>	<b>53,981</b>	<b>54,531</b>	<b>550</b>	<b>1.02%</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020 £000	Net Controllable Forecast 2019-2020 £000	Net Controllable Variance 2019-2020 Q1 £000      %		Reason for Variance Q1
<b>Public Health and Wellbeing</b>					
Business Continuity & Emergency Planning	7	7	-	0.00%	
Commissioning	-	(177)	(177)	-	The forecast underspend is as a result of one-off unfilled staff vacancies.
Community Safety	41	41	-	0.00%	
Healthy Ageing	-	50	50	-	
Healthy Life Expectancy	-	85	85	-	
Public Health Business Management	-	54	54	-	
Starting and Developing Well	-	(12)	(12)	-	
Leisure Services	843	843	-	0.00%	
<b>Total Public Health and Wellbeing</b>	<b>891</b>	<b>891</b>	<b>-</b>	<b>0.00%</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>City Environment</b>					
Register Office	(47)	(47)	-	0.00%	
Coroners Service	223	223	-	0.00%	
Bereavement Services	(2,584)	(2,499)	85	3.29%	Early indications have shown that there is a potential pressure in this area, but it will be monitored closely throughout the financial year.
Black Country Transport	37	37	-	0.00%	
Environmental Maintenance	6,372	6,298	(74)	(1.16%)	
Fleet Services	271	271	-	0.00%	
Highways Maintenance	1,585	1,585	-	0.00%	
Landscape	33	33	-	0.00%	
Licensing	153	153	-	0.00%	
Markets	(593)	(567)	26	4.38%	
Operation & Maintenance of Existing Network	1,031	1,066	35	3.39%	
Parking Services	(3,465)	(3,264)	201	5.80%	An under achievement of income is forecast as a result of reduced parking income due to regeneration projects in the city centre.

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
Public Protection	1,973	2,023	50	2.53%	
Service Director City Environment	143	143	-	0.00%	
Street Lighting	2,697	2,800	103	3.82%	An overspend is forecast due to an increase in the electricity tariff charged by the energy company.
Transportation	875	894	19	2.17%	
Waste and Recycling Service	11,665	11,665	-	0.00%	
Energy and Sustainability	170	170	-	0.00%	
Customer Services	2,337	2,337	-	0.00%	Early indications have shown that there is a potential pressure within this area where agency workers are utilised whilst transitioning to a full complement of permanent employees. This will be monitored closely throughout the financial year.
<b>Total City Environment</b>	<b>22,876</b>	<b>23,321</b>	<b>445</b>	<b>1.95%</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>City Assets and Housing</b>					
Housing	974	999	25	2.57%	
Capital Programme	(184)	91	275	149.46%	An under recovery of income is forecast within Projects and Works team as a result of no variable income generation opportunities.
Catering	(90)	(90)	-	0.00%	
Cleaning	1,542	1,542	-	0.00%	
Corporate Asset Management	7,643	7,643	-	0.00%	
Corporate Landlord Support	510	510	-	0.00%	
Estates and Valuations	(4,337)	(4,337)	-	0.00%	
Facilities Management	876	1,231	355	40.53%	The forecast overspend is due to reduced income recovery associated with Community Centres and as a result of the management of vacant properties within Facilities Management.
Head of Corporate Landlord	114	93	(21)	(18.42%)	
Maintenance Programme	2,015	2,015	-	0.00%	
<b>Total City Assets and Housing</b>	<b>9,063</b>	<b>9,697</b>	<b>634</b>	<b>7.00%</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Regeneration</b>					
City Development	599	599	-	0.00%	
Enterprise	842	865	23	2.73%	
Director Regeneration	235	235	-	0.00%	
Planning	851	862	11	1.29%	
Local Economy	1,820	1,808	(12)	(0.66%)	
Visitor Economy	1,478	1,471	(7)	(0.47%)	
Land and Property Investment Support	-	-	-	0.00%	
<b>Total Regeneration</b>	<b>5,825</b>	<b>5,840</b>	<b>15</b>	<b>0.26%</b>	



General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020 £000	Net Controllable Forecast 2019-2020 £000	Net Controllable Variance 2019-2020 Q1 £000      %		Reason for Variance Q1
<b>Finance</b>					
Finance Director	161	161	-	0.00%	
Audit Services	1,890	1,890	-	0.00%	
Strategic Finance	2,613	2,613	-	0.00%	
Revenues & Benefits	2,419	2,318	(101)	(4.18%)	An underspend is forecast due to the anticipated early delivery of employee savings planned for 2020-2021.
The Hub	1,918	1,908	(10)	(0.52%)	
Central Corporate Budgets	4,337	4,112	(225)	(5.19%)	An underspend is forecast due to lower than anticipated enhanced pension costs and bank charges.
Procurement Services	647	637	(10)	(1.55%)	
<b>Total Finance</b>	<b>13,985</b>	<b>13,639</b>	<b>(346)</b>	<b>(2.47%)</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Governance</b>					
Director of Governance	167	147	(20)	(11.98%)	
Governance Services	4,017	4,017	-	0.00%	
Legal Services	2,195	2,195	-	0.00%	
Ward Funds	-	-	-	0.00%	
<b>Total Governance</b>	<b>6,379</b>	<b>6,359</b>	<b>(20)</b>	<b>(0.31%)</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Managing Director</b>					
Managing Director	179	179	-	0.00%	
Corporate Communications	1,060	1,000	(60)	(5.66%)	
Strategy	1,016	1,016	-	0.00%	
<b>Total Managing Director</b>	<b>2,255</b>	<b>2,195</b>	<b>(60)</b>	<b>(2.66%)</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Deputy Managing Director</b>					
Deputy Managing Director	251	251	-	0.00%	
Corporate Business Support	1,295	1,295	-	0.00%	
Human Resources	1,683	1,683	-	0.00%	
ICTS	5,832	5,832	-	0.00%	At this stage in the financial year it is anticipated that the service will breakeven as a minimum, work will continue during the year to identify and deliver efficiencies in advance of the targets that are reflected in the approved Medium Term Financial Strategy (MTFS) for ICT.
Digital Transformation Programme	400	400	-	0.00%	
Service Improvement	95	95	-	0.00%	
<b>Total Deputy Managing Director</b>	<b>9,556</b>	<b>9,556</b>	<b>-</b>	<b>0.00%</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Corporate Budgets</b>					
Corporate Budgets	2,213	2,213	-	0.00%	
Treasury Management	33,683	33,683	-	0.00%	
Other Corporate / Transformation Budgets and Contingencies	(8,389)	(8,389)	-	0.00%	
Corporate Adjustments	(356)	(356)	-	0.00%	
Apprenticeship Levy	540	540	-	0.00%	
West Midlands Transport Levy	10,292	10,292	-	0.00%	
Environment Agency Levy	74	74	-	0.00%	
Birmingham Airport - Rent	(69)	(69)	-	0.00%	
Central Provision for Auto- enrolment and Pay Award Costs	2,000	1,500	(500)	(25.00%)	An underspend is forecast as early indications predicts that the central provision for auto-enrolment will not be needed in its entirety in this financial year.
<b>Total Corporate Budgets</b>	<b>39,988</b>	<b>39,488</b>	<b>(500)</b>	<b>(1.25%)</b>	

General Fund Revenue Budget Monitoring – Service Analysis

Service/Budget	Net Controllable Revised Budget 2019-2020	Net Controllable Forecast 2019-2020	Net Controllable Variance 2019-2020 Q1		Reason for Variance Q1
	£000	£000	£000	%	
<b>Education</b>					
Adult Education	(219)	(219)	-	0.00%	
Director of Education	371	371	-	0.00%	
Early Years	302	302	-	0.00%	
School Planning & Resources	374	728	354	94.59%	An overspend is forecast as a result of a loss in trading income from schools for 2019-2020 academic year. A review of structure and services is to be undertaken.
Central Education	(1,264)	(1,235)	29	2.31%	
Schools	-	-	-	0.00%	
Skills	2,008	2,008	-	0.00%	
Special Educational Needs	3,452	3,428	(24)	(0.68%)	
School Improvement	839	920	81	9.68%	
<b>Total Education</b>	<b>5,863</b>	<b>6,304</b>	<b>441</b>	<b>7.51%</b>	

**General Fund Budget Risks 2019-2020**

<b>Risk</b>	<b>Description</b>	<b>Level of Risk</b>
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources. This risk often applies to adults and children's social care.	Red
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities.	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Reduction in Income and Funding	<p>Risks that might materialise as a result of the Comprehensive Spending Review 2020 and the Fair Funding Review.</p> <p>Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts.</p> <p>The risk of successful appeals against business rates.</p>	Red
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and taxation rules, the impact of exiting the European Union and, in particular, from the Care Bill.	Amber

This page is intentionally left blank



## APPENDIX 3

### Housing Revenue Account Revenue Outturn 2019-2020

	2019-2020 Budget £000	2019-2020 Forecast Outturn £000	2019-2020 Forecast Variance £000
<b>Income</b>			
Gross rents – dwellings	(89,692)	(88,945)	747
Gross rents – non dwellings	(524)	(558)	(34)
Charges to tenants for services and facilities	(6,311)	(6,218)	93
<b>Total income</b>	<b>(96,527)</b>	<b>(95,721)</b>	<b>806</b>
<b>Expenditure</b>			
Repairs and maintenance	25,615	25,615	-
Supervision and management	19,239	19,194	(45)
Rents, rates and taxes	496	459	(37)
Increase in provision for bad debts	1,500	1,500	-
Depreciation of fixed assets	22,033	18,085	(3,948)
<b>Total expenditure</b>	<b>68,883</b>	<b>64,853</b>	<b>(4,030)</b>
<b>Net cost of HRA services</b>	<b>(27,644)</b>	<b>(30,868)</b>	<b>(3,224)</b>
Interest payable	10,984	9,961	(1,023)
Interest and investment income	(190)	(190)	0
<b>(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt</b>	<b>(16,850)</b>	<b>(21,097)</b>	<b>(4,247)</b>
<b>Allocation of (surplus)/deficit</b>			
Provision for redemption of debt	16,850	21,097	4,247
<b>Balance for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>

This page is intentionally left blank

**General Fund Budget Virements**

From		To		£000	Reason for Virement
Division	Service	Division	Service		
City Environment	Customer Services	Finance	The Hub	258	Transfer of posts between services.
Finance	The Hub	Deputy Managing Director	Human Resources	87	Transfer of posts between services.
Finance	Central Corporate Budgets	Finance	Central Corporate Budgets	50	Creation of contribution to Wolverhampton for Everyone expenditure budget matched by a recharge to Public Health.
Governance	Ward Funds	Governance	Ward Funds	200	Creation of Ward Fund expenditure budgets matched by a recharge to Public Health.
City Environment	Customer Services	Managing Director	Corporate Communications	172	Transfer of posts between services.
Children's Services	Children & Young People in Care	Deputy Managing Director	Corporate Business Support	14	Transfer of posts to Business Support Programme.
Children's Services	Strengthening Families	Deputy Managing Director	Corporate Business Support	57	Transfer of posts to Business Support Programme.
Regeneration	Enterprise	Regeneration	Enterprise	20	Transfer of non-staffing revenue budget to staffing for Business Development Co-ordinator.
Adult Services	Director of Adults services and Additional Monies	Adult Services	Older People Care Purchasing	1,500	Transfer of budget to support in year pressures within Older People Care Purchasing.
Adult Services	Director of Adults services and Additional Monies	Adult Services	Mental Health Assessment and Care Management	500	Transfer of budget to support in year pressures within Mental Health Assessment and Care Management.

**General Fund Budget Virements**

From		To		£000	Reason for Virement
Division	Service	Division	Service		
Adult Services	Director of Adults services and Additional Monies	Adult Services	Learning Disabilities Care Purchasing	250	Transfer of budget to support in year pressures within Learning Disabilities Care Purchasing.
Adult Services	Community Support	Adult Services	Learning Disabilities Care Purchasing	100	Transfer of budget to support in year pressures within Learning Disabilities Care Purchasing.
Adult Services	Older People Provider Services	Adult Services	Learning Disability Provider	139	Transfer of budget to support in year pressures within Learning Disability Provider.
Adult Services	Older People Provider Services	Adult Services	Older People Care Purchasing	66	Transfer of budget to support in year pressures within Older People Care Purchasing.
Children's Services	Adoption and Residence Team & Allowances	Children's Services	Adoption and Residence Team & Allowances	876	Transfer between staffing and non-staffing budgets to cover Wolverhampton's contribution towards the Regional Adoption Agency.
Adult Services	Head of People	Children's Services	Head of Specialist Intensive Support	17	Transfer of 0.50FTE personal assistant post from Adult Services to Children's Services.
City Environment	Waste & Recycling Service	City Environment	Waste & Recycling Service	400	Realignment of budgets following the transfer of the service in-house from external provider, Amey

**General Fund Budget Virements**

From		To		£000	Reason for Virement
Division	Service	Division	Service		
City Environment	Licensing	City Environment	Licencing	380	Employee restructure funded from within the service area by increasing income budgets.
Service Director People	Strategic Commissioning	Adult Services	Strategic Commissioning Adults	2,164	Transfer of Strategic Commissioning budgets to Adult Services
Service Director People	Strategic Commissioning	Children's Services	Strategic Commissioning Children's	2,165	Transfer of Strategic Commissioning budgets moved to Children's Service.
Children's Service	Service Director	Children's Service	Specialist Intensive Support	100	The Council's commitment to support The Way Youth Zone in the City, including specifically some short-term outreach work.

This page is intentionally left blank

**APPENDIX 5**

**Non-Domestic Rates (NDR) Write Offs to be approved by Cabinet**

<b>Account Ref</b>	<b>Write-off Reason</b>	<b>Write-Off Amount £</b>
5052833	No Trace	5,120.49
5055247	No Trace	14,798.01
5057564	No Trace	7,680.01
5057925	No Trace	6,062.81
5043685	Recovery Prohibited by Statute	19,166.42
5047020	Recovery Prohibited by Statute	9,706.11
5051569	Recovery Prohibited by Statute	6,001.38
5055667	Recovery Prohibited by Statute	9,313.23
5109094	Recovery Prohibited by Statute	8,141.63
	<b>Total</b>	<b>85,990.09</b>

This page is intentionally left blank



**Council Tax Write Offs to be approved by Cabinet**

<b>Account Ref</b>	<b>Write-off Reason</b>	<b>Write-Off Amount £</b>
18600017001	No Trace	6,687.55
2620032507	Recovery Prohibited by Statute	8,671.82
3390012407	Recovery Prohibited by Statute	6,807.38
26540038411	Recovery Prohibited by Statute	5,457.08
	<b>Total</b>	<b>27,623.83</b>

This page is intentionally left blank

**Sundry Debtor Write Offs to be approved by Cabinet**

<b>Account Ref</b>	<b>Write-off Reason</b>	<b>Write-Off Amount £</b>
16003824	Deceased (no estate)	20,576.54
16006442	Deceased (no estate)	22,405.97
16009013	Deceased (no estate)	7,426.40
16009179	Deceased (no estate)	10,818.71
16035307	Deceased (no estate)	5,316.40
	<b>Total</b>	<b>66,544.02</b>

This page is intentionally left blank

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet Resources Panel</b> <b>23 July 2019</b>
--	---

<b>Report title</b>	New Park Village Redevelopment Programme	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson City Housing and Assets	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	Heath Town ward	
<b>Accountable Director</b>	Kate Martin – Director for City Housing	
<b>Originating service</b>	Housing	
<b>Accountable employee</b>	Melissa Green Tel Email	Client Relationship Manager 01902 554758 melissa.green3@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Housing Leadership Team	28 May 2019

---

### Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposal for the redevelopment of New Park Village, Ellerton Walk, to include targeted demolition and rebuild.
2. Agree to cease letting of properties within the area of Ellerton Walk proposed for redevelopment, shown on the map at Appendix 1, and the use of these for temporary accommodation as appropriate until demolition plans progress.
3. Subject to the approval of recommendation 1 above, agree to suspend the Right to Buy of Council rented properties within the area of Ellerton Walk proposed for redevelopment, shown on the map at Appendix 1.
4. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing to approve the detailed development of the proposed redevelopment programme and enter into any legal agreements or funding arrangements required for the delivery of this scheme.

5. Agree the principle of buying former council properties either leasehold or freehold on the estate to assist with the redevelopment proposals, and the funding of these purchases from the Housing Revenue Account (HRA) funds identified for the Ellerton Walk redevelopment.
6. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing to approve individual property purchases by the HRA in support of the redevelopment proposals.
7. Approve the making of a compulsory purchase order (CPO) under Part II, Section 17, Housing Act 1985 if acquisition is not successful through voluntary negotiations with individual home owners
8. Approve the payment of Home loss and disturbance allowance payments for residents displaced by planned demolition, as identified during the redevelopment programme, in accordance with the Land Compensation Act 1973;
9. Agree to receive further reports on the redevelopment proposals for the Ellerton Walk area, including those seeking approval of the final extent of the scheme, its cost, and the appointment of master planning architects and contractors.

**Recommendations for noting:**

The Cabinet (Resources) Panel is asked to note:

1. The progress made to date on the consultation with New Park Village, Ellerton Walk Residents and the Board of the New Park Village Tenant Management Cooperative.
2. The Housing Revenue Account (HRA) Capital programme includes approved budgetary provision to fund the proposed redevelopment scheme.

## **1.0 Purpose**

- 1.1 This report seeks to provide an update on the progress to date with New Park Village Tenant Management Cooperative, of the development of proposals for the Ellerton Walk Redevelopment Programme.
- 1.2 Also, to inform the Panel on the outcome of the residents' consultation for estate re-modelling, and to seek approval for Ellerton Walk being declared as a regeneration site, allowing the suspension of the Right to Buy for those properties identified within the redevelopment boundary.
- 1.3 The report further seeks approval for a range of recommendations that will support the delivery of estate redevelopment. This includes to:
  - cease lettings of void properties in Ellerton Walk.
  - approve Home Loss and disturbance allowances to be paid to residents affected by the Redevelopment Programme
  - seek approval for delegated authority for the purchasing of former council properties.
- 1.4 The report also seeks authority to purchase privately owned homes that form part of the redevelopment area and approve the potential to use compulsory purchase orders (CPO) to made under Part II, Section 17, Housing Act 1985, should acquisition not be successful through voluntary negotiations with individual home owners.

## **2.0 Background**

- 2.1 Located in the Heath Town ward, the New Park Village estate is a 1960's system built estate comprising just over 400 properties providing a mix of two, three, and four bedroom houses; three and four bedroom bungalows and one, two and three bedroom maisonettes and flats. Within this estate, Ellerton Walk provides 184 maisonettes within eight linked deck-access blocks (in two lines of four blocks), each with integral garages at ground-floor level. There are 12 leaseholders within these blocks and seven freehold properties on nearby streets.
- 2.2 Since 1993, the estate has been managed by New Park Village Tenant Management Cooperative (TMC). The TMC currently manages 263 tenancies on behalf of the Council under the terms of a new modular management agreement signed in April 2019.
- 2.3 Ellerton Walk falls within the area of the Heathfield Park Neighbourhood Plan, which includes in its aims Housing and Environment, with goals being 'to support high quality affordable housing with a mix of size, type and tenure to meet local and future needs, including family homes, clean and well maintained streets and estates, and provide an overall improved and safer local environment.'
- 2.4 The Council in 2004 and in 2013 commissioned Jacobs Babbie to carry out condition surveys which involved a study being carried out on the existing conditions of Ellerton

Walk properties, walkways and environment. The concerns and defects identified were with;

- the design and condition of the existing balconies and walkways;
- some Anti-Social behaviour issues;
- fly-tipping and refuse systems;
- public perception that the Estate is un-inviting;
- issues with the glazed units.

2.5 Following consideration of the potential to refurbish the estate to address the issues identified in the surveys, a budget of £11.1 million was approved as part of the HRA capital programme. However, after further investigations it became apparent that the cost of repairs and improvements to bring the estate to modern standards, including responding to the building safety programme and statutory requirements, would be substantial. Further to more detailed review and consultation with residents to deliver aspirations for the estate, funding of £25 million was allocated. However, whilst this investment could deliver many benefits, it would not create a modern living environment and provide the standard of accommodation that the Council is able to deliver elsewhere in its stock.

2.6 Problems identified with the construction and layout of the dwellings in this part of the estate include:

#### **Maisonettes**

- Poor levels of insulation
- Inadequate levels of thermal comfort achieved by existing storage heating
- The original design creates significant practical problems should external wall insulation or new forms of heating be introduced
- Poor internal layout including a step-down into properties
- High concrete balustrades that reduce visibility and security and are an eyesore

#### **Bungalows**

- Poorly insulated
- Flat roof with poor levels of insulation
- Inefficient levels of heat produced by existing storage heating
- Internal design features a step between levels, unsuitable from an accessibility perspective

2.7 In response to this, Wolverhampton Homes initiated a study to establish the potential for redevelopment of the Ellerton Walk maisonette blocks, where most of the investment is required. This illustrated that there is potential for the estate to be reconfigured, to



demolish the failing blocks, and create new homes, increasing the number of homes overall, and delivering a better estate environment. The redevelopment can also capture some poor-quality bungalows alongside Ellerton Walk, along with the current New Park Village office and some retail units.

2.8 An indicative cost for this wider development was estimated at up to £38 million, subject to surveys, planning and procurement. The exact estate design, number of units and tenure mix, and therefore cost, of new housing would be dependent upon the housing need for the New Park Village estate and the surrounding area. However, for illustrative purposes, redevelopment could achieve over 250 new homes (a potential net gain of approximately 50 units from the current estate numbers), subject to the unit and tenure mix finally proposed.

2.9 In order to test the appetite for this approach with the local community, at the beginning of January 2019 185 questionnaires were distributed to residents of Ellerton Walk, with two options presented;

- Option one: Demolish and rebuild the Ellerton Walk maisonettes;
- Option two: Improve and refurbish Ellerton Walk maisonettes.

2.10 161 residents returned their questionnaire resulting in a return rate of 87%, of which 74.4% supported option one. The remaining 24.8% were in favour of refurbishment and 0.8% were undecided regarding the proposals. The questionnaire was also distributed to leaseholders and owner occupiers within the maisonettes, providing them with the opportunity to input into the proposed options. In response to the questionnaires, the issues raised by residents were reflective of the condition surveys undertaken by Jacobs in 2004 and 2013.

### **3.0 Progress**

3.1 On 8 April 2019 Housing Strategy and Housing Development officers presented the findings of the resident questionnaire to New Park Village TMC board. TMC Board members accepted and welcomed the findings and agreed with the programme of work proposed to move the preferred option forward.

3.2 Subject to approval of the principle of this approach at Cabinet (Resources) Panel, the anticipated phases of the redevelopment process are set out as follows;

#### **3.3 Information gathering phase:**

- undertake further consultation exercises with the residents of New Park Village TMC affected by the redevelopment programme to ascertain their preferences for remaining on the Estate, or moving within or outside the Wolverhampton area;
- undertake a detailed household needs assessments to identify any specific housing requirements which will inform the design phase of the redevelopment programme;

- undertake freeholder and leaseholder discussions with residents and develop an offer to purchase their properties;

#### 3.4 **Cross partnership working phase:**

- undertake cross partnership working with other Council departments such as Procurement, Homeless Services, Planning and Legal to fully understand the remit and implications of the scheme;
- engage with other stakeholders such as the Local Allotment Association and community groups who may have an interest or be impacted upon in the redevelopment programme;

#### 3.5 **Re-housing phase:**

- a small number of affected residents have asked to be re-located within and outside of Wolverhampton so move-on support will need to be provided. Approval is requested for the payment (where applicable) of home loss/disturbance allowances and an agreed relocation expenses package to tenants who are identified as needing to move.
- subject to approval of the principle of redevelopment, lettings of vacant units will be ceased, other than for temporary accommodation.
- with some affected home owners expressing an interest to sell their property, a programme will be developed to work with those homeowners to purchase their properties through voluntary negotiation, however, it may be necessary to use compulsory purchase powers to acquire properties, subject to authority being gained.
- subject to the decision approving the redevelopment of the Ellerton Walk area, the Right To Buy will cease within the demolition and redevelopment area. This will limit the number of leaseholders or freeholders that the Council will need to buy out to deliver the scheme.

#### 3.6 **Design phase to Autumn 2020:**

- establish a project structure, with a view to identify and appoint the appropriate resources needed to help deliver the programme and ensure resident consultations are undertaken;
- commission detailed surveys in preparation for demolition and draw up initial proposals for redevelopment, with the support of Property Services;
- undertake a full options appraisal and consultations with residents, planners and other key stakeholders which will run from Summer 2019 and into Spring 2020
- engage with Procurement, Architects and obtain planning approvals for the redevelopment programme which will continue until Autumn 2020;

### **3.7 Delivery phase, from Winter 2020:**

- subject to Planning approvals, procure contractors to undertake demolition and initiate the phased delivery of newbuild homes. This will be phased over several years, in order to minimise the number of house moves residents have to make. The programme will be established once the designs have been finalised.

## **4.0 Community Engagement**

- 4.1 All information gathered from consultation during the redevelopment programme will help inform the design of the development. The design of the new homes will help resolve existing concerns of residents such as heating, waste and refuse issues including Anti-social behaviour. Environmental improvements will be designed alongside the new homes, addressing car parking and road layout within the redevelopment area.
- 4.2 Delivering on the Council's inclusive growth agenda, the procurement of contractors will include requirements for social value outcomes. This will include monitoring of the numbers of apprentices who are able to work on the delivery of the project, work experience opportunities that can be provided, and use of local labour and supply chains to build the new homes.
- 4.3 Communications with the residents affected by the proposed redevelopment works has, to-date been undertaken through meetings and through door to door discussions as part of the estate survey process. Moving forward it is intended to issue regular newsletters to residents and local councillors, to ensure that they are well-informed about the proposals. The TMC management team are able to deal with detailed queries from residents on site and share these with council teams as required. It is also intended to establish focus groups of residents to provide a detailed review of the designs and the programme, so that full engagement is assured.

## **5.0 Evaluation of alternative options**

### **5.1 Option One: Do nothing**

Without some investment in improving the estate the central area of maisonettes will deteriorate further, become increasingly difficult to let, which will lead to higher void costs and a loss of rental income to the Housing Revenue Account.

### **5.2 Option two: Refurbishment of the maisonettes**

Refurbishment of the estate has been considered and will require significant investment but will only address some of the issues identified, still leaving higher void costs and loss of rental income to the Housing Revenue Account. This option was favoured by only a quarter of residents.

### **5.3 Option three: Demolish the maisonette blocks and build new homes**

The blocks together are made up of 182 units of accommodation with some 12 leaseholders. By demolishing the maisonettes, along with some associated low rise

housing and commercial buildings, it would enable the Council to increase the amount of social housing and improve the overall environment of the estate. This option was favoured by a majority of residents.

- 5.4 Therefore it is recommended that option three is progressed, and that Council teams including Corporate Landlord, Housing Strategy and Housing Development work in partnership with New Park Village TMC to provide the best long term solution in sustaining Ellerton Walk and provide additional housing for residents of Wolverhampton.

## **6.0 Reasons for decisions**

- 6.1 The maisonette blocks at Ellerton Walk are in poor condition and will required substantial investment to maintain them in the long run. The condition surveys carried out by Jacobs in 2004 and 2013 identified a number of defects with the maisonettes, in particular with the inter-linking walkways where concrete is failing, and cracking of construction joints. Recent structural surveys have confirmed that these defects have deteriorated further.
- 6.2 In recent years numerous structural repairs have been carried out to mitigate the health and safety risks. But the long-term maintenance of the blocks is anticipated to be very expensive, with an estimate of £29 million to fully refurbish the blocks, which would still not eliminate all of the issues and would not create the modern quality of accommodation that the city wants to provide for its tenants.
- 6.3 Given the scale of investment required just to maintain and improve the blocks, it is evident that greater benefits can be achieved through wholesale redevelopment of the estate, with a potential increase in unit numbers and better quality of homes and environment at the end. Dependent on unit numbers, a further £10 million is estimated to deliver a scheme of demolition and newbuild, subject to detailed surveys and design.

## **7.0 Financial implications**

- 7.1 An HRA capital budget will be required to regenerate the New Park village estate. The HRA Capital programme approved by Cabinet 23 January 2019 as part of the HRA Business Plan, Rents and Service Charges 2019-2020 report includes sufficient funding provision for the scheme; including £11.0 million that was originally set-aside for the refurbishment of the Ellerton Walk maisonette blocks over three years. There is also £25 million approved for Estate re-modelling and £60 million in the New Build budget set aside for future schemes.
- 7.2 The full costs of project management, design, decanting, demolition and construction will be drawn out in more detail as part of the option appraisal and project development stage and reported in further detail in future Cabinet reports. These costs will include any payments relating to Home Loss/disturbance and any negotiated settlement to owners during the redevelopment programme.

[JM/14052019/B]

## **8.0 Legal implications**

- 8.1 Section 183 Housing Act 2004 operates to insert provisions into the Housing Act 1985 dealing with the suspension of the right to buy where the Council intends to demolish. Section 138A of the Housing Act 1985 states that where an 'initial demolition notice' is served on a secure tenant, the landlord is no longer bound to complete a right to buy transaction for so long as the notice remains in force. This can be up to seven years. Section 138B of the Housing Act 1985 provides for a 'final demolition notice'. At this stage, the Council can refuse to accept new right to buy applications on subject properties. Section 183C provides for compensation to be paid where a secure tenant has sought to exercise the right to buy and either an initial or final notice has been served.
- 8.2 Full legal advice will be sought through the implementation and delivery of the proposals and will be reported in the next Cabinet report which will need to be considered.  
[DC/1505209/Z]

## **9.0 Equalities implications**

- 9.1 An equalities impact assessment has been completed in conjunction with the equalities team.
- 9.2 From the assessment it was identified that appropriate steps needed to be taken to ensure that the programme does not adversely impact any of the current residents and wider community.

## **10.0 Environmental implications**

- 10.1 There are some implications for Environmental impact, mainly relating to increased work traffic, possible short-term car parking issues for the tenants and the School located near to the development. However, the proposal being submitted will contribute to the improvement of tenants living conditions, environment and the redevelopment of New Park Village Estate.
- 10.2 There will be consideration for landscaping within the area, including usage and possible improvements of the allotment space. However, this will not be known until the design phase of the programme.

## **11.0 Human resources implications**

- 11.1 There will be some Human Resource implications, due to requiring the appointment of a Project Manager led by the Housing Development team.

## **12.0 Corporate landlord implications**

- 12.1 There are no Corporate Landlord implications, the redevelopment programme will be funded using the allocated funds identified within the Housing Revenue Account.

### **13.0 Health and Wellbeing Implications**

- 13.1 There have been previous reports carried out by external organisations in 2004 and 2013, highlighting the condition of the current properties. Providing new housing will improve residents' well-being, reduce isolation and increase community cohesion through better design and usage of amenity space and reduced Anti-social behaviour.

### **14.0 Schedule of background papers**

- 14.1 HRA Capital Programme - Cabinet 23 January 2019.

### **15.0 Appendices**

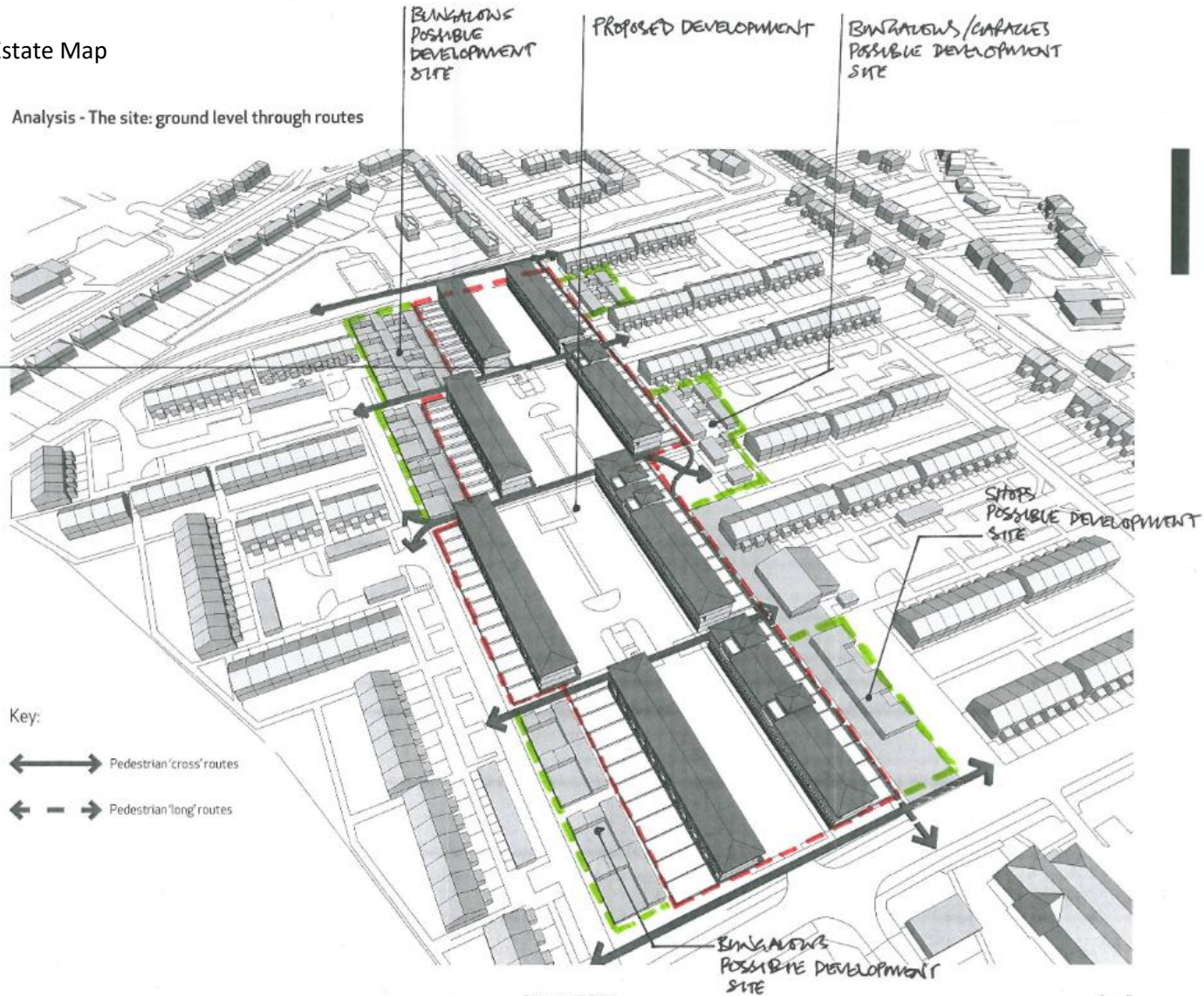
- 15.1 Appendix 1: New Park Village Redevelopment Programme Estate map

# Appendix One:

## New Park Village Redevelopment Estate Map

Analysis - The site: ground level through routes

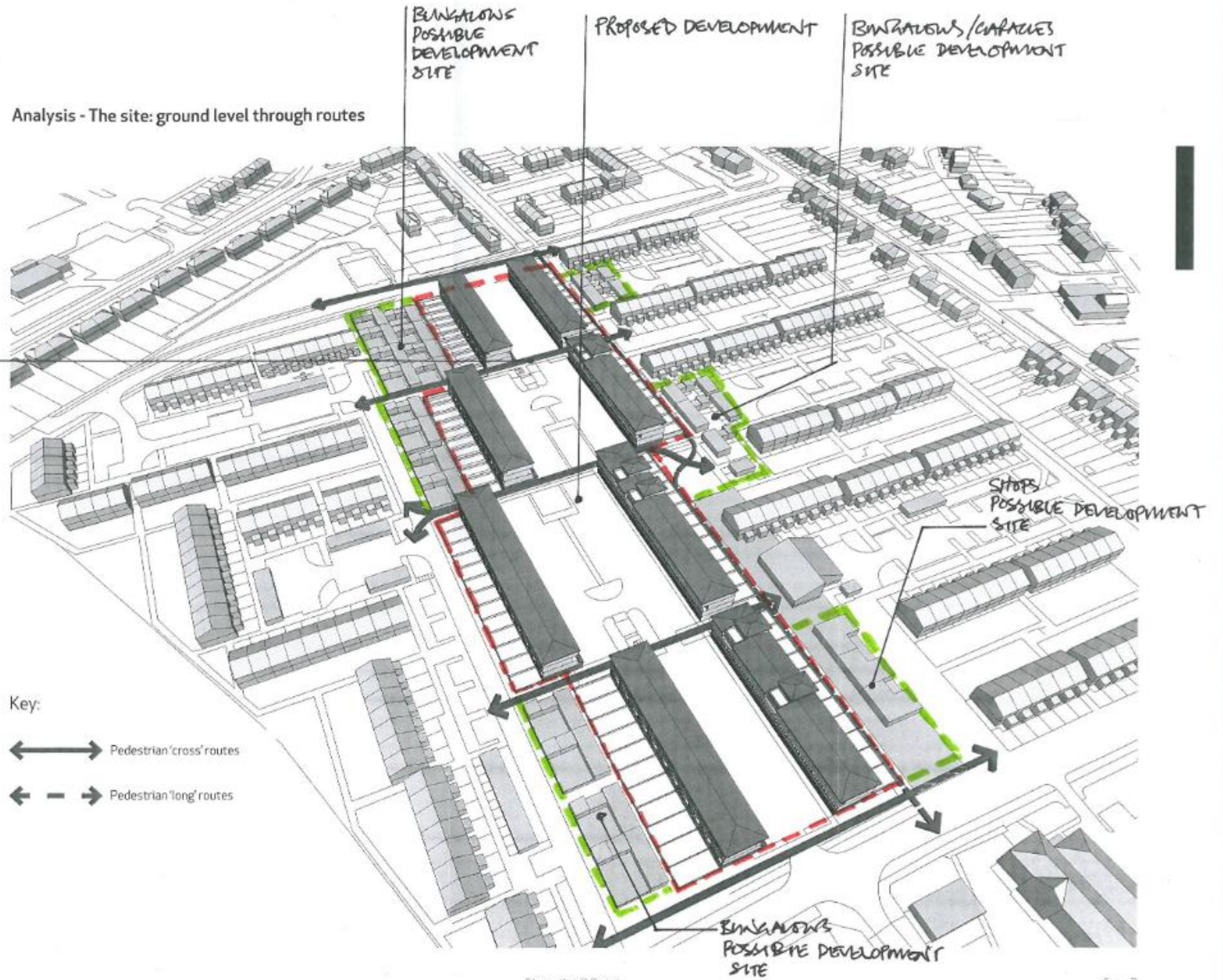
There are a number of existing desire lines through the site but none activate the central spaces.





# Analysis - The site: ground level through routes

There are a number of existing desire lines through the site but none activate the central spaces.





<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet (Resources) Panel</b> <b>23 July 2019</b>
--	---

<b>Report title</b>	Appointeeship Charging	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Linda Leach Adults	
<b>Key decision</b>	No	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable Director</b>	David Watts, Adult Services	
<b>Originating service</b>	Adult Social Care	
<b>Accountable employee</b>	Helen Winfield Tel Email	Head of Community Financial Support 01902 553353 <a href="mailto:helen.winfield@wolverhampton.gov.uk">helen.winfield@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Adult Leadership Team Strategic Executive Board Adults and Safer City Scrutiny Panel	5 March 2019 19 March 2019 11 June 2019

---

### Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the implementation of a charge to individuals for whom Adult Social Care is the Corporate Appointee for Department for Work and Pensions (DWP) benefits claiming.
2. Approve the following Appointeeship charge for individuals who have a balance of more than £1,000 in their account following the deduction of their usual monthly expenditure:
  - £5.00 per week for individuals living in the community
  - £3.00 per week for individuals residing in a care home
3. Approve a review of the charge in 12 months after implementation to assess its impact on the level of demand.

**Recommendation for noting:**

The Cabinet (Resources) Panel is asked to note:

1. To consider the comments of the Adult and Safer City Scrutiny Panel on the proposed changes (Appendix 1 & 2).

## **1.0 Purpose**

- 1.1 To provide information about the proposed implementation of a charge for the Corporate Appointeeship Service delivered by the Customer Finance Team to vulnerable Adult Social Care customers in receipt of Social Security benefits who lack capacity to manage their financial affairs.

## **2.0 Background**

- 2.1 The Council offers an Appointeeship service for individuals who are in receipt of benefits and are unable to manage their own finances and where there is no other person able to offer this support to them. Currently there is no charge made for this service.
- 2.2 An application can be made for the Local Authority to take on the Appointeeship for a person where the need is identified as part of a Care Act 2014 assessment or following a financial safeguarding referral.
- 2.3 There is no statutory requirement to provide a Corporate Appointeeship service but supporting individuals to pay their bills and budget wisely has a positive impact on their wellbeing and therefore helps to fulfil the promotion of the individual wellbeing duty.
- 2.4 The Office of the Public Guardian has a set charging policy for Deputyship but not for Appointeeship services. Deputyship charges which have been authorised by the court can be recovered direct from the income and capital managed on the person's behalf.
- 2.5 Practice Directions under the Court of Protection Rules 2017 state that a local authority can recover up to 3.5% of a person's capital where they are deputy for property and affairs and up to 2.5% where they are deputy for personal welfare, if savings are below £16,000. The fee is capped at £775 for the first year and £650 for subsequent years for customers with savings above £16,000.
- 2.6 There is no policy on charging for Appointeeship services provided by the Department for Work and Pensions, but their guidance requires charges that are applied are to be proportionate and reasonable.
- 2.7 The Council's Appointeeship Service provides administrative support:
  - a. to make benefit claims for individuals and maximise the benefits they are entitled to;
  - b. by providing information to benefits administering authorities that may affect benefit entitlement;
  - c. to deal with correspondence and respond to enquiries from the benefit administering authorities;
  - d. to pay bills and manage other outgoings for individuals for whom we are appointee;
  - e. to budget for any additional expenditure and unforeseen circumstances.

- 2.8 The Council's Appointeeship service currently supports 495 individuals (with a further 13 applications pending); 197 individuals living in the community and 298 in care homes. 27 individuals have £1,000 or less savings and therefore would not be charged under these proposals.

### **3.0 The Proposal**

- 3.1 The Appointeeship service is in high demand and it is important that Council can continue to provide this service for people who need support to manage their financial affairs.

- 3.2 When the Council takes responsibility for supporting an individual with managing their finances the priority is to reach a position of financial stability. Within a short space of time, by budgeting appropriately, those who require the support of the Appointeeship service should be in a position to contribute towards the administrative costs of the service.

- 3.3 It is proposed that Appointeeship charge would be:

- a. **£5.00 per week** for individuals living in the community
- b. **£3.00 per week** for individuals residing in a care home

For those individuals who have a balance of more than £1,000 in their account following the deduction of their usual monthly expenditure.

- 3.4 The proposed charges are lower for a person in a care home as there is less administration involved in managing these accounts.

### **4.0 Consultation**

- 4.1 The proposals outlined in paragraph 3 above have been open to public consultation which closed on 24 March 2019.

- 4.2 The consultation has been publicised on the Council's consultation web pages:  
<https://wolverhampton.moderngov.co.uk/mgConsultationDisplay.aspx?ID=142>

- 4.3 In addition:

- a. 57 statutory and voluntary sector stakeholders have been contacted to seek comments on the proposals
- b. The Adult Social Care advocate organisation, POhWER Advocacy has been contacted to seek comments on the proposals
- c. Social Workers and Keyworkers for those individuals who are currently supported with a Corporate Appointeeship have been contacted to seek comments on the proposals.

- 4.4 There have been two comments received in response to the consultation which raised concerns that charging people who need this service would be unfair and may exclude

people from using the service who need it most as they will struggle to meet the charges proposed.

4.5 In response, the proposed charges are believed to be set at an amount which, from our experience in delivery of the service over many years, would be a reasonable charge which could be met by people with more than £1,000 savings. Indeed, most customers' savings are substantially in excess of this amount as a result of the build-up of unused income.

4.6 The proposals were presented to Adults and Safer City Scrutiny Panel meeting on 11.6.19. A summary of the comments received is attached (Appendix 1 & 2).

## **5.0 Reasons for decision**

5.1 The provision of Appointeeship Services are not statutory duties for local authorities, but the Care Act 2014 does state that Local Authorities should provide 'information and advice on the Court of Protection, Power of Attorney and becoming a Deputy'.

5.2 The Care and Support Statutory guidance makes reference to the Local Authority's ability and power to apply to be appointed Deputy for a person who is unable to manage their property and affairs and who has no family involved in their care.

5.3 Corporate Appointeeship is an alternative more proportionate and appropriate form of support under the Care Act 2014 for those individuals who are reliant on Social Security benefits for income and only have savings from any unspent income.

5.4 The provision of the Council's Appointeeship service helps ensure that an increasing number of vulnerable individuals are receiving their correct benefits entitlement and that they have financial stability to maintain their well-being and improve their quality of life.

5.5 A person who is referred, as part of a Care Act needs assessment, to the Appointeeship Service will be a vulnerable person lacking financial capacity who does not have the appropriate support from friends and family. A growing number of individuals have experienced financial abuse and the referral is made as part of safeguarding outcomes.

5.6 When the Appointeeship Service takes over the management of their finances it is often the first time that they have experienced financial stability. Well-managed accounts mean that unused income often builds up. Therefore, when a person dies they leave behind unspent monies which we are required to pass on to the next of kin, the very people who may have failed to provide the much-needed support for the person in their lifetime (or in some cases, the perpetrators of financial abuse).

5.7 The Customer Finance Service that administers the Corporate Appointeeship currently comprises three full time equivalent posts at a cost of £85,400 per year with additional costs for management and supporting services.

5.8 The proposals are aimed at ensuring the delivery of support for individuals in need at a reasonable cost and enabling a sustainable Appointeeship Service which is working towards self-funding.

## 6.0 Benchmarking

6.1 The following table gives information about the charges for Appointeeship services in other local authorities which was collected by the National Association of Financial Assessment Officers (NAFAO):

Local Authority	Charge – Community	Charge – Residential	Notes
St Helen's	£5.00 per week	£3.00 per week	No charge if savings below £1,000
Knowsley	£20.00 per month	£20.00 per month	Only where clients have a balance of funds in excess of £1,000.
Halton	£10.00 per week	£7.00 per week	In community, if no savings at date of Appointeeship exempt for 3 months to allow time to accrue money. No charge in Residential if capital less than £1,000
Warrington	£10.00 per week	£7.00 per week	
Wigan	£15.00 per week	£15.00 per week	Only exempt if benefits are suspended.
Stockport	£10.30 per week	£5.15 per week	For service users with less than £1,000 the charge is £1.00 per month
Bury	£10.00 per week	£5.00 per week	Community – waived if less than £1,000 capital/savings. Residential – waived if less than £2,000 capital/savings
Oldham	£10.00 per week	£5.00 per week	Administration charge to end Appointeeship of £309.00
Walsall			Previously out-sourced but brought back in-house. No Charge currently – proposals to introduce a charge in 2020 (on a similar basis to the Wolverhampton proposals)
Nottingham	£12.00 per week	£12.00 per week	Where individual has more than £1,000 in savings
Rochdale	£300 per year	£300 per year	
Wokingham	£100 per annum	£100 per annum	Where savings below £3,000. Court of Protection charges where savings above £3,000

- 6.2 Other organisations also provide an Appointeeship service. The following table gives some examples about the charges that are made by such organisations:

Organisation	Charge – Community	Charge – Residential	Notes
Penderels	£800/£1,000/£1,300 per annum	£800/£1,000/£1,300 per annum	Charge based on the number of hours of support delivered
Money Carer Foundation	£65 per month	£35 per month	

## 7.0 Financial implications

- 7.1 The implementation of an Appointeeship Service charge would provide income to enable the Appointeeship service, at a cost of approximately £90,000, to move towards becoming self-funding.
- 7.2 Based on the current number of individuals who receive a Corporate Appointeeship service, the proposals will mean that the service would be likely to generate income in the region of £90,000 per year:

Corporate Appointeeship	Number of Individuals (excluding those with less than £1,000 savings)	Charge per week	Total income per year £'000
Care Home	298	£3.00	-46
Community	170	£5.00	-44
<b>Total</b>	<b>468</b>		-90
Staffing			85
Service related costs			5
<b>Net Total</b>			<b>0</b>

[MI/21032019/I]

## 8.0 Legal implications

- 8.1 The proposals are compliant with law and guidance in relation to the Equality Act 2010, the Care Act 2014 and Section 1 of the Local Authorities (Goods and Services) Act 1970. In addition, there has been a properly constituted consultation publicised on the council's consultation website.  
[TC/06032019/P]

## **9.0 Equalities implications**

- 9.1 An equalities analysis has been completed. It is recognised that this proposal will impact adversely on vulnerable people on benefits income however, charging for the Appointeeship service will help ensure that it is sustainable for the future and therefore is able to continue to support vulnerable people to establish financial wellbeing. In addition, it will help ensure that individuals are in receipt of their benefit entitlement which will support health and wellbeing.
- 9.2 This proposal does not adversely impact any particular group with a Protected Characteristic.

## **10.0 Environmental implications**

- 10.1 There are no environmental implications arising from this proposal.

## **11.0 Human resources implications**

- 11.1 There are no human resources implications arising from this proposal.

## **12.0 Corporate landlord implications**

- 12.1 There are no landlord implications arising from this proposal.

## **13.0 Health and Wellbeing Implications**

- 12.1 This proposal concerns the Appointeeship Service which plays an important role in helping to ensure the wellbeing of vulnerable people who lack financial capacity and who may be in need of safeguarding.
- 13.1 The introduction of a charge for those with savings of more than £1,000 in savings will be monitored for any adverse impact and it is proposed to conduct a review after 12 months of operation to assess the impact of the charge on the level of demand.

## **14.0 Schedule of background papers**

- 14.1 None



## APPENDIX 1

### **Minutes from the Adults and Safer City Scrutiny Panel – 11 June 2019 Appointeeship Charging Item**

The Director of Adults Services introduced a report on Appointeeship charging. He explained that the item was being considered as pre-decision scrutiny as the report had not yet been received by the Cabinet. The financial challenges in Local Government had meant Officers had been tasked to review non-statutory services, to find ways to generate new income or to stop providing the service all together. Appointeeship was one of the areas identified which the Cabinet had agreed, the Council should explore the prospect of introducing a charge for providing the service. He was acutely aware that the issue would be contentious and that it would affect vulnerable people throughout the City. Members of his team over the last few months had been gathering information on how other Local Authorities managed the Appointeeship service, including the charging rates.

The Head of Community Financial Support stated that the Appointeeship service was offered to people in receipt of social security benefits who were unable to manage their own finances and had not got support from family and friends to appropriately manage their financial affairs. The proposals had the aim of the Appointeeship service working towards becoming a self-financing administrative system. There were a number of reasons that people would be referred under the Care Act Assessment 2014 for the Appointeeship service. An area of growing concern was from people suffering financial abuse from family or friends. Sometimes the family member or friend who had been given Appointeeship status, had been forced to relinquish the Appointeeship status when they had abused their position.

The Head of Community Financial Support commented that the Appointeeship service offered by the Council provided financial sustainability to the users of the service by maximising benefit claims, providing relevant information to the benefit authorities, paying bills, managing outgoings and budgeting for unforeseen expenditure. Some people had quite substantial savings, an important part of the service was to maximise expenditure appropriately to ensure a greater quality of life and independence. If a person died when the Council was providing an Appointeeship service, the Council were required to find the next of kin and relatives to dispense with the person's estate, sometimes these could be the very people who had abused the person financially, which had led to the original Appointeeship.

The Head of Community Financial Support stated that the proposal was to introduce an Appointeeship charge for individuals who had a balance of more than £1,000 in their account following the deduction of their usual monthly expenditure. The charge would be £5.00 per week for a person living in the community and £3.00 per week for a person living in a care home. The rate was less for a person living in a care home because the administrative processes were simpler. There were currently approximately 200 people in the community who had an Appointeeship with the Council and approximately 300 people in care homes. Out of the 500 people there

were currently 27 people who had savings of less than £1,000 and therefore wouldn't be impacted by the proposals. She felt it was an important service to maintain inhouse. Some Councils did contract out the service, which ultimately could cost individuals considerably more than the proposed levels within the report. Some Councils had contracted out the service and had then decided to bring it back inhouse. It was also true that some Councils did not charge for the service currently, but many others did, some of which were at higher rates than those contained in the proposals. She felt the charges proposed were fair and reasonable and would help the Appointeeship service to become financially self-sustaining in the future.

A Member of the Panel asked about the arrangements for neighbouring Local Authorities, Dudley and Sandwell. The Head of Community Financial Support responded that she believed one authority offered the service free of charge currently and the other contracted out the service. She endeavoured to clarify the exact arrangements for each authority for him.

A Member of the Panel asked for more details about how the Appointeeship service managed people's money in practice. The Head of Community Financial Support responded that an income and expenditure statement was undertaken. A pre-paid card was then issued to them, with an appropriate amount of benefit money available to spend on the card for a given length of time. Not all of the benefit money would be on the card as some was used to pay bills such as utility bills. The card acted like a bank card meaning that the individual could use the card to purchase items at shops and to draw out money from cash machines. All individuals in the Appointeeship had the support of a key worker or a social worker. If there was unforeseen additional expenditure, such as a special birthday, the social worker could contact the Appointeeship service and ask for extra money to be placed on the card.

A Member of the Panel asked how the proposed Appointeeship charge would be reviewed in the future. The Head of Community Financial Support responded that there would be a review in twelve months' time if the proposals were supported by Cabinet. There was a yearly review of all fees and charges and so it would fall within the remit for that review in the future. The Council were not able to profit from delivering the Appointeeship service.

A Member of the Panel expressed support for delivering the Appointeeship service inhouse and believed introducing a charge for the service was the correct approach in order for the service to continue. She believed there were benefits delivering the service inhouse because the people would already be known by the Council's Social Services department.

A Member of the Panel commented that whilst the proposed charges would make many people feel uncomfortable, she believed it was the correct approach. She believed the Appointeeship service could be a great relief to the relatives of vulnerable people who were no longer able to effectively manage their finances. An Appointeeship could lift a heavy burden from relatives having to spend considerable time trying to manage a vulnerable person's finances and would reduce the risk of their money being abused. She believed the service was a good news story and that the Council should consider promoting and brokering the Service. Another Member

of the Panel expressed support for this idea. The Head of Community Financial Support responded that it was worth considering and would form part of the Impact review after twelve months, it was however important to remember that the Council could not make an overall profit from the Appointeeship Service.

This page is intentionally left blank

## APPENDIX 2

### **Response to Panel question about Appointeeship arrangements for neighbouring Local Authorities, Dudley and Sandwell:**

#### **Dudley:**

Dudley Metropolitan Borough Council do not operate an in-house Appointeeship scheme. They arrange Court of Protection Deputyships for large numbers of individuals instead and therefore the Office of the Public Guardian charging policy applies. Where the individual's only income is from Social Security benefits and they are not a tenant they may sign-post to other organisations offering an Appointeeship service and therefore independent charges apply.

#### **Sandwell:**

Sandwell Metropolitan Borough Council do not operate a separate in-house Appointeeship scheme. Appointeeships are incorporated within the Court of Protection Deputyships scheme for most individuals and therefore the Office of the Public Guardian charging policy applies. Where the individual's only income is from Social Security benefits and they are not a tenant they may offer an Appointeeship service, but this is an exception.

This page is intentionally left blank

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet (Resources) Panel</b> 23 July 2019
--	--

<b>Report title</b>	Schedule of Individual Executive Decision Notices	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	All	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Mark Taylor, Deputy Managing Director	
<b>Originating service</b>	Democratic Services	
<b>Accountable employee(s)</b>	Dereck Francis Tel Email	Democratic Services Officer 01902 555835 dereck.francis@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	N/A	

---

**Recommendation for noting:**

The Cabinet (Resources) Panel is asked to:

1. Note the summary of open and exempt individual executive decisions approved by the appropriate Cabinet Members following consultation with the relevant employees.

## Schedule of Individual Executive Decision Notices

### Part 1 – Open Items

#### 1. Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Ian Brookfield	Deputy Managing Director	9 July 2019	Dereck Francis 01902 555835
<b>Title and summary of decision</b>			
<b>Appointment to the Children, Young People and Families Scrutiny Panel</b> Approved the appointment of Councillor Jasbinder Dehar from the Adults and Safer City Scrutiny Panel to the Children, Young People and Families Scrutiny Panel for the remainder of the Municipal Year 2019-2020.			

### Part 2 – Exempt Items

#### Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Louise Miles	Director of Finance	5 July 2019	Sean McBurney 01902 555089
<b>Title and summary of decision</b>			
<b>WV Active Condition Survey and Lifecycle</b> Approved the allocation of funds from the Transformation Reserve of up to £30,000 for a condition survey and lifecycle assessment of all the WV Active sites.			

#### Public Health

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Jasbir Jaspal	Director of Public Health	17 June 2019	Dr Ankush Mittal 01902 557949
<b>Title and summary of decision</b>			
<b>Award of Contract for Tuberculosis and Infection Prevention Control Services</b> Approved the award of the contract for delivery of tuberculosis and infection prevention Services to the Royal; Wolverhampton NHS Trust.			



## Education

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Lynne Moran	Director of Education	12 March 2019	Adrian Leach 01902 553927
<b>Title and summary of decision</b>			
<b>Special Provision Capital Fund – Investment Priorities</b>			
<ol style="list-style-type: none"> <li>Noted the outcome of consultation on the investment priorities for the future use of the Special Provision Capital Fund.</li> <li>Endorsed the identified investment priorities for the future use of the Special Provision Capital Fund.</li> <li>Approved the allocation of resources to a new capital project at Green Park School.</li> <li>Approved the allocation of resources to a new capital project at Penn Hall School.</li> </ol>			

## City Environment

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Director of Regeneration	13 May 2019	Simon Pons 01902 551488
<b>Title and summary of decision</b>			
<b>Contract Award: City Learning Quarter Design fees and associated services</b>			
Approved the award of the contract for City Learning Quarter Design fees and associated services to Perfect Circle JV Ltd of Leicester for a duration of five months for a total contract value of £473,138.75.			

## Housing

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson	Director of City Housing	5 July 2019	Anthony Walker 01902 551631
<b>Title and summary of decision</b>			
<b>Award the contract for the MiFriendly Cities Pop-up Furniture Factory</b>			
Approved the award of the contract for the MiFriendly Cities Pop-up Furniture Factory to African Caribbean Community Initiative for a duration from 1 July 2019 until 28 February 2021 for a total contract value of £109,600 funded by the grant from European Regional Development Fund Urban Innovative Actions, MiFriendly Cities project.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson	Director of City Housing	5 July 2019	Kully Kudhail 01902 554257
<b>Title and summary of decision</b>			
<b>Corporate Security Services – Lot 3</b>			
Approved the award of the contract for Corporate Security Services Lot 3 to BBP Security Ltd of Wolverhampton for a total value of £354,200.			

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson	Director of City Housing	18 June 2019	Julia Nock 01902 550316
<b>Title and summary of decision</b>			
<b>Land and Property Transactions – IEDN 027</b> Approved the completion of the transactions listed below: <ol style="list-style-type: none"> <li>a. Lease for a gas governor site at Old Fallings Lane, Wolverhampton.</li> <li>b. Deed of Release – Land Adjacent, 118-130 Bushbury Lane/Shaw Road.</li> <li>c. Surrender of Wolverhampton Homes lease at Hickman Avenue Depot, Hickman Avenue.</li> </ol>			

## Regeneration

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Harman Banger	Director of Regeneration	18 June 2019	Simon Pons 01902 551488
<b>Title and summary of decision</b>			
<b>Contract Award: Civic Hall Project Management and Design</b> Approved then awarded of the contract for Civic Hall Project Management and Design to Faithful+Gould Ltd of Epsom for a duration of five months for a total contract value of £345,718.30.			

## Joint Cabinet Members

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Harman Banger and Councillor Louise Miles	Director of Regeneration and Director of Finance	2 July 2019	Peter Taylor 01902 555851
<b>Title and summary of decision</b>			
<b>i54 Western Extension – Business Rates Collection and Distribution Agreement</b> Approved the Council entering into a Business Rates Collection and Distribution Agreement with South Staffordshire District Council and Staffordshire County Council.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson and Councillor Louise Miles	Managing Director and Director of Finance	26 June 2019	Michelle Howell 01902 553197
<b>Title and summary of decision</b>			
<b>Loan to WV Living</b> <ol style="list-style-type: none"> <li>1. Approves the terms of the loans to WV Living, including a return on investment chargeable quarterly.</li> <li>2. Approves the issue of the following loans to WV Living:               <ol style="list-style-type: none"> <li>a. Loan eight in July 2019</li> <li>b. Loan nine in August 2019.</li> </ol> </li> </ol>			

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank



Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank