



Meeting of the Cabinet

Minutes - 25 June 2014

Attendance

Members of the Cabinet

Cllr Roger Lawrence (Chair)
Cllr Steve Evans
Cllr Val Gibson
Cllr Andrew Johnson
Cllr Elias Mattu
Cllr Phil Page
Cllr Sandra Samuels
Cllr Paul Sweet

Employees

Keith Ireland	Strategic Director, Delivery
Tim Johnson	Strategic Director, Education and Enterprise
Sarah Norman	Strategic Director, Community
Kevin O'Keefe	Chief Legal Officer
Mark Taylor	Assistant Director, Finance
Dereck Francis	Democratic Support Officer

Part 1 – items open to the press and public

Item No. *Title*

MEETINGS BUSINESS ITEMS

- 1 **Apologies for absence**
Apologies for absence were submitted on behalf of Cllr Peter Bilson and John Reynolds.
- 2 **Declaration of Interests**
Cllr Andrew Johnson declared a disclosable non pecuniary interest in agenda item 8 (Primary School Organisation) in so far as it related to Bilston Church of England Primary School.
- 3 **Minutes of the previous meeting (14 May 2014)**
Resolved:
That the minutes of the previous meeting held on 14 May 2014 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.

DECISION ITEMS (RED - for decision by the Council)

5 Managing the Budget Cuts - The Next Phase

Cllr Andrew Johnson presented the report that identified additional savings for both 2014/15 and 2015/16 in accordance with the strategy set out in the five year budget and medium term financial strategy 2014/15 to 2018/19, that was approved by Cabinet on 25 February 2014 and Full Council on 4 March 2014. The proposals demonstrated that the Council had a plan to balance its budget going forward. Subject to approval by Full Council, the implementation of the savings proposals would be subject to full consultation with Council employees and the public.

He reported that the savings proposals that would affect all services to the public but were as a result of successive cuts in Central Government grant support to the Council between 2010/11 and 2016/17. Failure to make the savings would mean that the Council would not balance its budget. He added that it was with deep regret that further savings proposals were being put forward.

Cllr Roger Lawrence referred to a press release issued by the Conservative Group on neighbourhood wardens. He reported that the wardens had provided a valuable service to the communities across the city over the years. However, any savings proposals that are withdrawn would mean that compensatory savings would need to be identified. The Cabinet would always consider other options presented and would be happy to discuss this as part of the consultations.

Resolved:

1. That Council be recommended to approve:
 - a. The revised budget requirement for 2014/15 of £235.9 million for General Fund services, which is a reduction of £1.7 million as a result of the additional savings that have been identified to date.
 - b. The implementation of the additional savings proposals, amounting to £1.7 million in 2014/15, subject to the outcome of appropriate and satisfactory scrutiny, consultation and equality analyses.
2. That the overarching strategy to deliver the £25 million for 2015/16 be approved.
3. That the savings proposals amounting to £16.4 million in 2015/16, be further developed for inclusion in the draft 2015/16 budget to be reported to Cabinet in October 2014.
4. That Council be recommended to note:
 - a. In addition to the 2014/15 savings proposals that are being approved it is anticipated that there will be further savings from other, as yet unquantified, proposals as well as from the acceleration of some of the existing savings proposals.
 - b. All additional savings identified and delivered during 2014/15 will further reduce the call on the General Fund balances during 2014/15 and therefore contribute directly towards the aim of holding at least £10 million in the General Fund balance.

5. That it be noted that while progress is being made against the Council's agreed budget strategy, additional work is underway in order to deliver the agreed strategy to address the projected budget deficit; namely to identify a further £7 million of savings for 2015/16.
6. That it be noted that whilst the savings proposals identified are not sufficient to rebuild general reserves to the minimum £10 million level in 2015/16, it is projected that there would still be an uncommitted sum in hand. Whilst this represents progress against the Council's agreed budget strategy, work must continue in order to achieve the minimum recommended level of £10 million in 2015/16 and to avoid exhausting general fund balances by early 2016/17.
7. That it be noted that the projected general fund balance is subject to change as the 2013/14 accounts are still being closed, any resulting variance to the projections within this report will be reflected in the October budget report to Cabinet.
8. That it be noted that due to the uncertainty surrounding the future of public finances in 2015/16 and beyond, and the existing assumptions concerning the successful delivery of significant levels of challenging savings, the projected additional savings requirement in each of the next four financial years could still change significantly as more information becomes available.

6 **Capital Budget Outturn 2013/14 including Quarter One Monitoring 2014/15**

Cllr Andrew Johnson outlines the salient points of the report on the General Fund capital programme outturn position at the end of 2013/14, and on an update on the revised forecast for 2014/15 to 2018/19 as at quarter one of 2014/15. The report covered General Fund schemes which included private sector housing and excluded the Housing Revenue Account.

Cllr Johnson reported that the review of the capital programme had identified a reduction of £3.2 million over the programme's period. This has had a welcomed knock on effect on the revenue budget.

Resolved:

1. That the Council be recommended to:
 - i. Approve the revised medium term General Fund (excluding housing revenue account) capital programme of £312.4 million, a reduction of £3.2 million from the previously approved programme.
 - ii Approve additional resources for existing schemes totalling £12.7 million:
 - a. £4.493 million for i54 Access and Infrastructure
 - b. £2.766 million for Building Schools for the Future
 - c. £2.003 million for Bilston Urban Village
 - d. £1.098 million for Integrated Transport
 - e. £918,000 for Sports Investment Strategy
 - f. £479,000 for Wilkinson Primary
 - g. £246,000 for Schools Devolved Formula
 - h. £226,000 for West Midlands Urban Traffic Control

- i. £190,000 for Capitalised Salaries
 - j. £74,000 for Empty Property Strategy
 - k. £74,000 for Capital Maintenance & Basic Need – Boiler/Pipework Replacements
 - l. £52,000 for KIC Loan
 - m. £29,000 for Neighbourhood Employment & Skills
 - n. £19,000 for Structural Maintenance
 - o. £18,000 for Wolverhampton City Centre Interchange
2. That the various virements totalling £14.5 million detailed at Appendix D to the report be approved.
3. That the 2014/15 updated schedules of works for the following schemes be approved:
 - a. Delivery ICTS Capital Programme (Appendix F1)
 - b. Delivery Market Services Capital Programme (Appendix F2)
 - c. Community Co-Location Capital Programme (Appendix F3)
 - d. Community Sports Investment Strategy Capital Programme (Appendix F4)
 - e. Community Urban Parks Capital Programme (Appendix F5)
 - f. Education and Enterprise BSF Capital Programme (Appendix F6)
4. That the outturn position for 2013/14 which stands at 83% of the approved General Fund budget and the resulting reduction in the borrowing requirement for 2103/14 of £21.3 million be noted.
5. That the reduction in budget no longer required on existing schemes of £15.8 million be noted.
6. That it be noted that the revised budgets for Housing Revenue Account which are subject to a separate report to Cabinet on the 23 July 2014.

DECISION ITEMS (AMBER - delegated to the Cabinet)

- 7 **Joint Reablement and Intermediate Care Strategy for Wolverhampton 2014/16**
Cllr Steve Evans presented the strategy for approval. It built upon Wolverhampton's first Reablement Forward Plan, and articulated the reablement intermediate care intentions of Wolverhampton's health and social care economy.

Cllr Evans drew attention to the nine principles that had been jointly agreed in order to deliver the reablement/intermediate care strategy. He indicated that he was particularly pleased to see principle one (people with dementia will have full access entitlement to all reablement/intermediate care services and opportunities) had been agreed.

Resolved:

That the Joint Reablement and Intermediate Care Strategy for Wolverhampton 2014- 2016 be approved.

8 Primary School Organisation

Cllr Phil Page outlined the salient points of the report on the primary school organisation strategy 2014 - 2017 and details the proposed 2015 primary school expansion programme. He also informed Cabinet that a report on the proposals had been considered by the Children and Young People Scrutiny Panel on 19 June 2014 and in the main, the Panel had supported all of the principles in the strategy.

Resolved:

1. That the Primary School Organisation Strategy 2014 – 2017 be approved.
2. That the undertaking of required statutory processes in relation to the proposed schemes in the 2015 Primary School Expansion Programme be approved.
3. That authority be delegated to the Cabinet Member for Schools, Skills and Learning in consultation with the Strategic Director for Education and Enterprise, to consider the outcomes of initial consultation and to determine whether or not to proceed to Formal Consultation, in relation to qualifying schemes in the 2015 Primary School Expansion Programme.

9 Exclusion of public and press

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 item(s) of business as they involve the likely disclosure of exempt information falling within the paragraphs of Schedule 12A of the Act set out below:

<i>Item No.</i>	<i>Title</i>	<i>Applicable paragraph</i>
10	City Investment Fund	3
11	Wolverhampton Youth Zone: Revised Funding and Delivery Strategy	3

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

DECISION ITEMS (RED - for decision by the Council)

10 City Investment Fund

Cllr Roger Lawrence presented the report on a proposal to create a discretionary fund to offer grants to exceptional inward investment opportunities as part of an enhanced package of business support to potential investors or to retain existing strategic employers. The fund, would ensure:

1. An appropriate incentive is available for significant inward investors to create jobs in the city or to retain strategic businesses that are considering relocation.
2. Wolverhampton could compete with other locations offering similar incentives to inward investors
3. Quick internal decisions could be made in line with the commercial market to ensure opportunities are not lost to the city.

4. That the potential investor was obliged to create jobs and procurement opportunities for local residents and businesses

Cllr Lawrence recommended that in view of the potential implications of the proposal for business rates income, that the Cabinet Member for Resources be included in the recommended delegations to the Cabinet Member for Economic Regeneration and Prosperity as referred to in the report.

Resolved:

That Council be recommended to:

1. Approve the creation of a fund of up to £350,000, from the Economic Development Reserve, that offers discretionary grants to help secure exceptional inward investment opportunities or provide incentives to retain existing major employers considering relocation.
2. Delegate authority for the Cabinet Members for Economic Regeneration and Prosperity and Resources in consultation with the Strategic Director Education and Enterprise, to agree a robust policy for utilising the fund.
3. Delegate authority to the Cabinet Members for Economic Regeneration and Prosperity and Resources in consultation with the Strategic Director Education and Enterprise to agree any subsequent awards.

DECISION ITEMS (AMBER - delegated to the Cabinet)

11 Wolverhampton Youth Zone: Revised Funding and Delivery Strategy

Cllr Val Gibson presented the report on a revised funding and delivery strategy for the Wolverhampton Youth Zone.

Cllr Andrew Johnson drew Cabinet's attention to the financial implications, risk management update and equalities implications of the proposal.

Cabinet also placed on record its thanks to Simon Warren, Chief Executive and his term who renegotiated the reduction in the Council's capital and revenue contribution towards the WYZ.

Resolved:

1. That the re-negotiated funding strategy, specifically the £2 million capital funding contribution towards the construction of the Wolverhampton Youth Zone building and a revenue contribution equivalent to £200,000 per annum for a period of three years towards the operation of the facility be approved.
2. That the recommended revenue funding contribution for the scheme of £200,000 per annum from 2015/16 for a minimum three year period, be reviewed during the third year with a view to continuing to provide ongoing revenue support for the Youth Zone.
3. That the utilisation of up to £112,000 towards the pre-opening "Year Zero" costs; from the £315,000 which has been approved from a specific Council reserve set aside to develop the Youth Zone be approved and it be agreed to

waive the £35,000 of potential income from car parking and highway permit fees to be met from the budget contingency reserve.

4. That the revised scheme design principles and delivery strategy be endorsed
5. The revised opening target date of January 2016 be noted.
6. That it be noted that the Cabinet Member lead responsibility for liaising with Wolverhampton Youth Zone Board (WYZB) in respect of build and regeneration assets is Cllr Peter Bilson and the service provision and specification post opening lead responsibility is with Cllr Val Gibson. The responsibility for the construction and operation of the youth zone facility rests with WYZB.