

Council Meeting

31 January 2018

Time 5.45 pm **Public Meeting?** YES **Type of meeting** Full Council

Venue Grand Hall, Grand Station, Sun St, Wolverhampton, WV10 0BF

Membership (Quorum for this meeting is 15 Councillors)

Mayor Cllr Elias Mattu (Lab)

Deputy Mayor Cllr Phil Page (Lab)

Labour

Cllr Ian Angus
Cllr Harbans Bagri
Cllr Harman Banger
Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Payal Bedi-Chadha
Cllr Peter Bilson
Cllr Alan Bolshaw
Cllr Greg Brackenridge
Cllr Ian Brookfield
Cllr Paula Brookfield
Cllr Ian Claymore
Cllr Craig Collingswood
Cllr Claire Darke
Cllr Steve Evans
Cllr Val Evans

Cllr Bhupinder Gakhal
Cllr Val Gibson
Cllr Dr Michael Hardacre
Cllr Julie Hodgkiss
Cllr Keith Inston
Cllr Jasbir Jaspal
Cllr Milkinderpal Jaspal
Cllr Andrew Johnson
Cllr Rupinderjit Kaur
Cllr Welcome Koussoukama
Cllr Roger Lawrence
Cllr Linda Leach
Cllr Hazel Malcolm
Cllr Louise Miles
Cllr Lynne Moran
Cllr Anwen Muston

Cllr Peter O'Neill
Cllr Rita Potter
Cllr John Reynolds
Cllr John Rowley
Cllr Judith Rowley
Cllr Zee Russell
Cllr Sandra Samuels OBE
Cllr Caroline Siarkiewicz
Cllr Stephen Simkins
Cllr Mak Singh
Cllr Tersaim Singh
Cllr Paul Sweet
Cllr Jacqueline Sweetman
Cllr Martin Waite
Cllr Daniel Warren

Conservative

Cllr Barry Findlay
Cllr Christopher Haynes
Cllr Christine Mills
Cllr Patricia Patten
Cllr Arun Photay
Cllr Paul Singh
Cllr Udey Singh
Cllr Wendy Thompson
Cllr Andrew Wynne
Cllr Jonathan Yardley

UKIP

Cllr Malcolm Gwinnett

Information for the Public

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

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Tel 01902 550320

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Agenda

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declarations of interest**
- 3 **Minutes of previous meeting** (Pages 5 - 10)
[To receive minutes of the meeting of the 13 December 2017.]
- 4 **Communications**
[To receive the Mayor's announcements.]
- 5 **State of the City Address**
[To receive the Leader of the Council's statement regarding the City.]

DECISION ITEMS

- 6 **Housing Revenue Account Business Plan (including 2018 - 2019 budget rents and service charges)** (Pages 11 - 14)
[To approve the HRA business plan.]
- 7 **Civic Halls Improvements and Full Restoration** (Pages 15 - 36)
[To approve the Full Business Case for Civic Halls.]
- 8 **Report of the Independent Remuneration Panel** (Pages 37 - 48)
[To receive the report of the Independent Remuneration Panel and consider the recommendations of the Panel.]
- 9 **Questions to Cabinet Members** (Pages 49 - 50)
[That the Cabinet Members for Resources, City Environment and City Economy respond to questions received.]

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CITY OF WOLVERHAMPTON COUNCIL	Meeting of the Council Minutes - 13 December 2017
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Attendance

Deputy Mayor Cllr Phil Page (Lab)

Labour

Cllr Ian Angus
Cllr Harbans Bagri
Cllr Harman Banger
Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Peter Bilson
Cllr Alan Bolshaw
Cllr Greg Brackenridge
Cllr Ian Brookfield
Cllr Paula Brookfield
Cllr Ian Claymore
Cllr Craig Collingswood
Cllr Claire Darke
Cllr Steve Evans

Cllr Val Evans
Cllr Bhupinder Gakhal
Cllr Val Gibson
Cllr Dr Michael Hardacre
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Cllr Jasbir Jaspal
Cllr Milkinderpal Jaspal
Cllr Andrew Johnson
Cllr Roger Lawrence
Cllr Linda Leach
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Cllr Anwen Muston
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Cllr John Reynolds
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Cllr Zee Russell
Cllr Sandra Samuels OBE
Cllr Stephen Simkins
Cllr Mak Singh
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Cllr Paul Sweet
Cllr Jacqueline Sweetman
Cllr Martin Waite
Cllr Daniel Warren

Conservative

Cllr Barry Findlay
Cllr Christine Mills
Cllr Patricia Patten
Cllr Arun Photay
Cllr Paul Singh

Cllr Udey Singh
Cllr Wendy Thompson
Cllr Andrew Wynne
Cllr Jonathan Yardley

UKIP

Cllr Malcolm Gwinnett

Employees

Keith Ireland
Kevin O'Keefe
Claire Nye
Mark Taylor
Tim Johnson
Meredith Teasdale
David Watts
Ian Fegan
Laura Phillips
Colin Parr
Jaswinder Kaur

Managing Director
Director of Governance
Director of Finance
Strategic Director - People
Strategic Director - Place
Director of Education
Director of Adult Services
Head of Communications
Head of Business Management
Head of Governance
Democratic Services Manager

The proceedings opened with Prayers

Item No. *Title*

1 Apologies for absence

Apologies for absence were received from the Mayor Elias Mattu, Councillors Payal Bedi-Chadha, Christopher Haynes, Rupinderjit Kaur, Welcome Koussoukama, Judith Rowley and Caroline Siarkiewicz.

2 Declarations of interest

There were no declarations of interest made.

3 Minutes of previous meeting

The Deputy Mayor proposed, the Leader seconded, and it was resolved:

That the minutes of the previous meeting, held on the 8 November 2017, be agreed as a correct record and signed accordingly by the Deputy Mayor.

4 Communications

1. Resolution of Thanks

The Deputy Mayor presented a gift of appreciation to Councillor Barry Findlay as a lasting and enjoyable reminder of his year as Mayor in 2016-2017.

2. Lawyers in Local Government Awards

The Mayor was delighted to report the Council's legal department was celebrating major success after picking up a prestigious award in November.

The Mayor congratulated Tom Senior, Jessica Adeniran, Bob Baldwin and Shamsher Zada who won the award for 'Governance Team of the Year 2017' for the second year running at the annual Lawyers in Local Government awards. It was also the third year in a row that City of Wolverhampton Council had been successful in the Lawyers in Local Government Awards.

The Mayor added the Council was a finalist in a further four categories including: litigation lawyer/team of the year and people related lawyer/team of the year, whilst Lorraine Moses-Copeman was nominated for practice manager of the year.

3. Carols in the City

The Deputy Mayor reported carols in the city took place in the lower mall of the Mander Centre on Wednesday 6 December 2017. There were lively performances from Northwood Park and Hill Avenue primary school choirs, Palmer and Friends gospel choir, the city's brass band, the City of Wolverhampton Council Choir and Central Youth Theatre.

He added the Council had been supported by Darlington Street Methodist Church, Central Youth Theatre, Wolverhampton Business Improvement District (BID) and the Mander Centre in organising the event which had been a tremendous success.

4. Victorian Christmas Market

The Deputy Mayor invited Councillors to the first official Victorian Christmas Market which opens on Friday 15 December 2017. The Deputy Mayor and Deputy Mayoress would officially open the market at 10:30am this Friday.

5. Holocaust Memorial Day

The Deputy Mayor invited Councillors to a service of remembrance, led by Interfaith Wolverhampton, which was to be held at 11am on Holocaust Memorial Day, Friday 26 January 2017 at the Cenotaph.

Finally, the Mayor wished everyone present a happy Christmas and hoped everyone enjoyed the festive break.

5 Capital programme 2017-2018 to 2021-2022 quarter two review

Councillor Andrew Johnson presented the Capital programme 2017-2018 to 2021-2022 quarter two review report. He provided an update on the 2017-2018 financial performance of the General Fund and Housing Revenue Account (HRA) capital programmes and the revised forecast for 2017-2018 to 2021-2022 as at quarter two of 2017-2018. He added the accurate phasing and profiling of programmes led to greater transparency and accuracy with the reporting. There had been a considerable improvement in the capital programme since the previous report.

In response to a question from Councillor Wendy Thompson, Councillor Andrew Johnson responded that he would provide a written response in January 2017 on the costs in relation to the three programmes.

Councillor Andrew Johnson proposed the recommendations and Councillor Peter Bilson seconded the recommendations.

Resolved:

1. That the revised medium term General Fund capital programme of £339.3 million, an increase of £9.2 million from the previously approved programme, reflecting the latest projected expenditure for the medium term be approved.
2. That the net additional General Fund resources of £9.2 million be approved for forty new projects totalling £26.3 million and thirty-three existing projects net reduction totalling £17.1 million.

6 Treasury Management Activity Monitoring – Mid Year Review 2017-2018

Councillor Andrew Johnson presented the Treasury Management Activity Monitoring – Mid Year Review 2017-2018 report. He provided an overview of treasury management activity and added that activity was in line with prudential indicators. He added there would be a real benefit to Council Tax payers.

Councillor Andrew Johnson paid tribute to work undertaken by the Director of Finance and Lee Johnson.

Councillor Andrew Johnson proposed the recommendations and Councillor Peter Bilson seconded the recommendations.

Resolved:

1. That it be noted, that a mid-year review of the Treasury Management Strategy Statement had been undertaken and the Council had operated within the limits and requirements approved in March 2017.
2. That it be noted, that savings of £1.1 million for the General Fund and £643,000 for the Housing Revenue Account (HRA) were forecast from treasury management activities in 2017-2018.

7 Polling Stations

Councillor Andrew Johnson presented the polling stations report. He sought approval to make minor changes to the Council's polling stations arrangements in the Wednesfield and Graiseley ward. He added that consultation had been undertaken with Councillors from both wards.

Councillor Andrew Johnson proposed the recommendations and Councillor John Reynolds seconded the recommendations.

Resolved:

1. That two polling stations in Wednesfield North ward be merged to be one double station and the number of polling stations in Graiseley ward be reduced from seven to six be approved.
2. That authority be delegated to the Returning Officer to make such changes to polling stations arrangements as may be operationally necessary to ensure the smooth and efficient delivery of the elections in 2018.

8 Changes to the Constitution

Councillor Andrew Johnson presented changes to the Constitution. He outlined that a number of changes had been made to the Constitution to ensure it was succinct and reflected the practices of the Council. The revisions were undertaken inhouse by the Democratic Services Team. He added the changes were presented to the Special Advisory Group and that Councillors also had the opportunity to contribute to the process during the consultation process.

Councillor Andrew Johnson paid tribute to the work undertaken by the Head of Governance and Democratic Services Manager.

Councillor Andrew Johnson proposed the recommendations and Councillor Milkinder Jaspal seconded the recommendations.

Resolved:

1. That the new format of the Council's Constitution be adopted.

2. That changes to the current content as summarised in the Special Advisory Group report and detailed in Appendix 1 to that report be adopted subject to:
 - a. The proposed change to Part 4 – Financial Procedure Rules, to enable timely decisions in relation to new external funding received by the Council being amended by the inclusion of the words ‘or Cabinet (Resources) Panel’ between the words ‘Cabinet’ and ‘and’ to read as follows:

“Where all of the following apply, an overall increase or decrease in the Council’s total budget may be approved Cabinet **or Cabinet (Resources) Panel** and not require the approval by Council.”

and at the end of clause (iv) to read as follows:

“(iv) The Section 151 Officer agrees that approval may be granted by Cabinet **or Cabinet (Resources) Panel.**”
 - b. The proposed change to Part 4 - Contract Procedure Rules (Section 3.10) being amended to require the Cabinet Member for Governance to approve the engagement of agency staff above a day rate of £500 and for the Human Resources Business Partner to approve engagements with a day rate below £500; and

That quarterly report on the use of Agency Staff also be submitted to Cabinet (Resources) Panel for information.
3. That the Director of Governance be authorised to implement the new format and the changes set out in Appendix 1 as now with immediate effect.
4. That it be noted, that further amendments to the Constitution would be presented in May 2018.

9 **Municipal Calendar of Meetings 2018- 2019**

Councillor Andrew Johnson presented the timetable for Council and committee meetings for the next Council Year (2018-2019).

Councillor Andrew Johnson proposed the recommendations and Councillor Milkinder Jaspal seconded the recommendations.

Resolved:

1. That the City of Wolverhampton Council Calendar of Meetings for 2018-2019 attached as appendix 1 to the report be endorsed.

10 **Executive Business**

The Council received a summary of executive business relating to the faith covenant.

In response to Councillor Andrew Wynn’s question, Councillor Paul Sweet confirmed that all working groups would feed into the decision-making process. He added that

the launch had taken place on Tuesday 12 December 2017 and during the first twelve months protocols and processes would be developed.

Resolved:

That the summary of executive business be received.

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 31 January 2018
----------------------------------------------	--------------------------------------------------------------

Report title	Housing Revenue Account Business Plan (including 2018-2019 budget rents and service charges)	
Referring body	Cabinet (Resources) Panel, 16 January 2018	
Councillor to present report	Councillor Peter Bilson	
Wards affected	All	
Cabinet Member with lead responsibility	Councillor Peter Bilson, City Assets and Housing Councillor Andrew Johnson, Resources	
Accountable director	Kate Martin, Service Director of Housing	
Originating service	Housing	
Accountable employee(s)	Kate Martin Tel Email	Service Director of Housing 01902 550179 Kate.Martin@wolverhampton.gov.uk
Report to be/has been considered by	Cabinet (Resources) Panel	16 January 2018

Recommendations for decision:

The Council is recommended to:

1. Implement the 1% reduction in social housing rents in accordance with the Welfare Reform and Work Act and to give 28 days' notice to all secure and introductory tenants of the rent reduction from 2 April 2018.
2. Adopt the business plan set out at Appendix A (to the Cabinet (Resources) Panel report) as the approved Housing Revenue Account (HRA) business plan including.
 - a. The revenue budget for 2018-2019 at Appendix A3.
 - b. The capital programme for 2018-2019 to 2022-2023 at Appendix A4 including provision for retrofitting of sprinklers in high-rise blocks and building of new council housing.
 - c. The increase in the management allowance for Wolverhampton Homes for the transfer of Homelessness and Housing Options services.

3. Agree the rates for garage rents and service charges set out in appendices B1-B3 and formally notify tenants.
4. Agree that the Council positions itself to take advantage of any flexibility in HRA borrowing by gearing up to develop more council housing on suitable sites.

1.0 Purpose

- 1.1 The purpose of this report is to recommend that Full Council adopts an updated Housing Revenue Account (HRA) business plan.
- 1.2 The report also provides, as an integral part of that business plan, a proposed HRA budget for 2018-2019, including proposed rents and service charges to take effect from 2 April 2018, and a proposed HRA capital programme for the period 2018-2019 to 2022-2023 for approval by Full Council.

2.0 Background

- 2.1 On the 16 January 2018 Cabinet (Resources) Panel agreed to recommend the report on Housing Revenue Account Business Plan (including 2018-2019 budget rents and service charges) to Full Council for approval.
- 2.2 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website. [Click here to access the report.](#) Councillors are asked to refer to the report when considering the recommendations from the Cabinet (Resources) Panel.
- 2.3 Cabinet (Resources) Panel resolved that Council be recommended to:
 1. Implement the 1% reduction in social housing rents in accordance with the Welfare Reform and Work Act and to give 28 days' notice to all secure and introductory tenants of the rent reduction from 2 April 2018.
 2. Adopt the business plan set out at Appendix A to the report as the approved Housing Revenue Account (HRA) business plan including:
 - a. The revenue budget for 2018-2019 at Appendix A3 to the report.
 - b. The capital programme for 2018-2019 to 2022-2023 at Appendix A4 to the report including provision for retrofitting of sprinklers in high-rise blocks and building of new council housing.
 - c. The increase in the management allowance for Wolverhampton Homes for the transfer of Homelessness and Housing Options services.
 3. Agree the rates for garage rents and service charges set out in appendices B1-B3 to the report and formally notify tenants.
 4. Agree to position itself to take advantage of any flexibility in HRA borrowing by gearing up to develop more council housing on suitable sites.
- 2.4 Cabinet (Resources) Panel also noted:
 1. The consultation responses as outlined at Appendix C to the report.
 2. The potential impact of the further implementation of the Housing and Planning Act 2016 on the HRA business Plan.

- 3 The introduction of a 52 week rent year following consultation with tenants, to better align the payment of rents with the payment of Universal Credit.
- 4 That service charges to council tenants have been recalculated over 52 weeks but generally tenants would pay the same over 12 months, with the exception of the central heating charge for gas, which is due to increase by £0.50 per week as approved in the business plan for 2016-2017 until full recovery of costs are achieved.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Cabinet (Resources) Panel report of 16 January 2018.

4.0 Legal implications

- 4.1 The legal implications are detailed in the Cabinet (Resources) Panel report of 16 January 2018.

5.0 Equalities implications

- 5.1 The equalities implications are detailed in the Cabinet (Resources) Panel report of 16 January 2018.

6.0 Environmental implications

- 6.1 The environmental implications are detailed in the Cabinet (Resources) Panel report of 16 January 2018.

7.0 Human resources implications

- 7.1 The human resources implications are detailed in the Cabinet (Resources) Panel report of 16 January 2018.

8.0 Corporate Landlord implications

- 8.1 The Corporate Landlord implications are detailed in the Cabinet (Resources) Panel report of 16 January 2018.

9.0 Schedule of background papers

- 9.1 Cabinet (Resources) Panel report – 16 January 2018.

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 31 January 2018
----------------------------------------------	--------------------------------------------------------------

Report title	Civic Halls Improvements and Full Restoration	
Referring body	Cabinet (Resources) Panel	
Councillor to present report	Councillor John Reynolds	
Wards affected	All	
Cabinet Members with lead responsibility	Councillor John Reynolds, City Economy Councillor Peter Bilson, City Assets and Housing	
Accountable director	Tim Johnson, Strategic Director, Place	
Originating service	Place	
Accountable employee	Tim Pritchard	Head of Corporate Landlord
	Tel:	01902 552904
	Email:	tim.pritchard@wolverhampton.gov.uk
	Keren Jones	Service Director City Economy
	Tel:	01902 554739
	Email:	keren.jones@wolverhampton.gov.uk
Report to be/has been considered by	Cabinet (Resources) Panel	16 January 2018

Recommendations for decision:

The Council is recommended to:

1. Approve the scope of construction and associated works for the comprehensive restoration of both Wulfrun and Civic Halls (see appendix 1 to the report);
2. Approve the additional capital budget and resources of £23.7 million required to deliver the Civic Halls project (as detailed in section 9 of the report).
3. Approve the development of a ticket levy to support the proposed scheme, and delegate authority to the Cabinet Members for City Economy and Resources, in consultation with Strategic Director for Place and Director of Finance, to approve the scheme detail.
4. Delegate authority to the Cabinet Member for City Economy, in consultation with Strategic Director for Place, to agree the contract variation with Shaylor Group when the negotiation process is complete.

1.0 Purpose

- 1.1 The purpose of this report is to recommend that Full Council approves the recommendations and delegation, as reported to Cabinet (Resources) Panel on 16 January 2018. These recommendations were made in the context of a revised business case and address significant building fabric, structural and building management issues that have been identified following detailed technical surveys and reviews undertaken in 2017 Quarter three.

2.0 Background

- 2.1 Cabinet (Resources) Panel on 16 January 2018 considered and agreed the business case and report on the Civic Halls project which is now the subject of this report to Full Council.

3.0 Project Scope

- 3.1 The aim of the project is to deliver the following economic outcomes:
- Attract additional visitors to the venue (circa 63,000 visitors per annum);
 - Safeguard and create direct and indirect jobs in the city
 - Develop a partnership with the City of Wolverhampton College (supporting 2,730 learners over six years, and resulting in the creation of 100 jobs and apprenticeships).
- 3.2 Consequently, the project will improve the overall entertainment offer in the Civic Halls, principally:
- New balconies and increased seating capacity in both Civic and Wulfrun Halls;
 - Improved hospitality offers with new bars, toilets and meeting/circulation spaces;
 - Improved accessibility (for disabled visitors); and
 - Modernisation of staging and supporting technologies for performers.
- 3.3 Alongside this, surveys identified the need for the following essential repairs and planned preventative maintenance items were identified, and where necessary brought forward, as they are integral to the scheme:
- Essential repairs and maintenance;
 - Renewal of the heating and ventilation system;
 - Structural items requiring replacement;
 - Modification to existing electrical systems; and
 - Localised asbestos removal/encapsulation necessary to accommodate above works.
- 3.4 A scope of works was identified and formed the basis of a tender package to the open market.

4.0 Scope of Works

- 4.1 Following initial enabling works (including reinstatement to accommodate Autumn 2016 programme of events) a contract for works was let to the Shaylor Group, commencing on site January 2017. As early 'opening-up' works progressed concerns were raised about the condition of the building, the extent of unforeseen asbestos, the limited 'resilience' of existing electrical systems and the effectiveness of the mechanical heating and ventilation. An independent review was undertaken of the proposed works and subsequently advised further assessment of the:
- Building structure, condition and residual defect/repairs;
 - Heating, ventilation and air conditioning including a review of the thermal model to ensure appropriate operational temperatures for events;
 - Retained services planned to remain in place, such as electrical systems, IT, access control, intruder alarm, voice alarm, induction loops;
 - Management, safety and security systems including any additional items that are required to support the health and safety activities post completion;
 - Building operation, management and security controls, considering recent events in the UK;
 - Proposed works supporting 25-year lifecycle planning following completion; and
 - Legislative changes specifically in relation to mechanical and electrical plant and equipment.
- 4.2 A comprehensive suite of intrusive surveys, assessments and preliminary re-designs have benefited from the 'opening-up' works, supplementing and providing more detail to previous surveys undertaken at the outset of the project. Combined with consideration of anti-terrorism measures and imminent legislative changes, they have informed a revised scope of work necessary to comprehensively restore the building.
- 4.3 The surveys and assessments have confirmed that the initial scope of contract works cannot be delivered within the approved budget, primarily for the following reasons:
- Changes in legislation have led to increased provision of mechanical heating and ventilation equipment to ensure statutory compliance. Performer and audience comfort needs to be assured with effective air conditioning.
 - Significant structural changes are required to accommodate the additional loadings generated by compliant mechanical and electrical equipment, as well as repairs to the fabric of the building;
 - The existing electrical substation is outdated, has insufficient capacity for future events and requires replacement;
 - Many of the existing mechanical and electrical systems are close to end-of life and require urgent replacement to mitigate imminent risk of failure, whilst providing a low maintenance solution moving forward;

- Building defects are significant and require immediate attention to ensure improvements provide a the 25-year life span;
- Counter terrorism measures have impacted the scheme following recent national events, such as in Manchester (reference Counter Terrorism report 2010).

4.4 The proposed scope of works for the recommended full restoration scheme, compared to the current improvement scheme, is summarised in the business case in appendix 1 and can be summarised as follows:

Element	Current Improvement Scheme £000	Proposed Restoration Scheme £000	Total £000
Construction works	9,780	14,620	24,400
Indirect costs (fees, surveys, etc.)	3,570	3,730	7,300
Contingency	1,050	5,350	6,400
Total	14,400	23,700	38,100

5.0 Technical Assurance

5.1 An independent Project Health Check (Faithful and Gould (F & G) December 2017) has assessed the scope, cost and delivery of the proposed restoration scheme; a summary of findings is as follows:

- **Cost:** F & G's experience of similar projects and with reference to industry standards confirms the builds cost to be commensurate with the budget estimate.
- **Procurement:** opportunity exists to renegotiate current contractual arrangements. Equally works can be re-tendered, should circumstances change.
- **Phasing and Programme:** the proposed single programme of circa 130 weeks is considered the best approach to mitigate disruption and minimise abortive cost.
- **Project controls:** a well-considered Project Execution Plan (PEP) is in place, setting out processes, governance and change control procedures.
- **Design/Professional Team:** designs and specifications contain information broadly in line with expectations relative to the design stage reached. These are informed by a robust suite of survey documents and provide a basis of Employers Requirements should works be re-tendered. Designs appear to be well-considered, meet the end user aspirations and will enhance the user experience.
- **Lifecycle:** Proposed works/budget aims to prolong the expected life of the building and improve the understanding of lifecycle activities and costs moving forward

(ongoing operations/maintenance). The enhanced scheme gives opportunity to capture lifecycle issues and address legacy backlog maintenance.

- **Value Engineering (Cost Reductions):** Limited opportunities are available to reduce the scope of the scheme without impacting on backlog/lifecycle maintenance issues; omitted works will be problematic/uneconomic to implement later.
- **Project Risks:** Risks are well considered, reviewed periodically and updated. Risk associated with asbestos should be largely mitigated by March 2018. Substantial contingency allowances are considered adequate for the remaining cost risk items.

5.2 The review provides assurance that the scope, cost and programme of works are appropriate to a heritage restoration project of this nature. It also acknowledges the difficulties and issues that have become apparent late in the project have been comprehensively informed by the opening-up works and intrusive surveys.

6.0 Financial implications

- 6.1 The cost of the proposed full restoration scheme is £38.1 million, of which £14.4 million is already approved and funded in the capital programme (Cabinet (Resources) Panel 19 July 2016). Funding sources that have been considered in the business case to meet the gap of £23.7 million is the use of capital receipts generated through the asset rationalisation programme, external grant funding and council borrowing.
- 6.2 There is an agreed programme of disposals in place over the next 3 years expected to realise a capital receipt to the Council of £29.0 million. Having taken account of existing commitments funded by receipts, it is considered reasonable to assume that a balance of £20.0 million can be used to fund the Civic Halls project. Further detail on the disposals programme can be found in the attached business case.
- 6.3 Further grant funding is also being considered to secure a full funding package for the scheme. Possible sources of grant available to this project are West Midlands Combined Authority funding and Heritage Lottery monies.
- 6.4 It is recommended that the capital programme budget is increased by £23.7 million to enable the full restoration scheme. To be prudent, this will be funded by capital receipts of £20.0 million and borrowing of £3.7 million. Any grant subsequently secured will enable a reduction in the call on Council resources (capital receipts and borrowing) in due course.
- 6.5 The revenue cost of this level of borrowing would be approximately £250,000 per annum. An analysis of expected net income from the Civic Halls indicates that this level of borrowing can be supported without a negative impact on the General Fund. The following factors have been considered when determining the base line net income to be generated:

- Base data from the latest events schedule and net income generated.
- Allowance for increased capacity as a result of the capital scheme i.e. increased seating and hospitality.
- A modest levy on tickets sales as recommended in this report.
- Agreements in place for the Box Office and provision of beers, wines and spirits.
- No assumption about growth in the number of events has been assumed.
- Projected employee costs and overheads.

6.6 Existing savings targets in the approved Medium Term Financial Strategy have also been taken into consideration when assessing the estimated net income.

6.7 Consideration has also been given to the maintenance costs of the Civic Halls post completion. It is estimated that an annual cost of maintenance £200,000 is realistic, a breakdown is given below. This cost is met from Corporate Landlord budgets.

Annual Revenue Costs 2020 – 2024	£000
Annual statutory compliance, cyclical maintenance	180
Reactive repairs	20
*Subject to inflation	
Total revenue costs	200

[CN/22012018/H]

7.0 Legal implications

7.1 That the procurement process in respect of a full building restoration scheme, complies with the Council's Contract Procedure Rules and the Public Contracts Regulations.

[RB/23012018/B]

8.0 Equalities implications

8.1 The designs for restoration and improvement for the Civic Halls will promote equalities, as they include making the venue more accessible to people with disabilities and creating a more family friendly environment, particularly in the smaller Wulfrun Hall. A more detailed equality impact assessment to identify the wider opportunities to promote equalities is being undertaken.

9.0 Environmental implications

9.1 This proposal will significantly improve the internal environment of the Civic Halls complex for the benefit and comfort of the audience, as well as comply with the standards required by English Heritage for a Grade 2 listed building.

10.0 Human resources implications

- 10.1 The improvement and full restoration scheme will create new job opportunities on completion. During the next two years, whilst the halls are closed, a temporary reduction in staffing levels might be required. However, staff also need to be retained to maintain and build new relationships with promoters and partners, as well as deliver events at alternative venues.
- 10.2 All relevant Human Resources policies and procedures will be followed for posts which will need to be deleted, including access to the redeployment register to give employees who meet the criteria an opportunity to apply for vacancies in advance of internal/external recruitment.
- 10.3 If there is a requirement to recruit to existing posts or to new posts, there will be adherence to the Councils job evaluation process and the Human Resources recruitment policy and procedure.

[HR/TP/BB/058]

11.0 Corporate Landlord implications

- 11.1 The comprehensive restoration of the Civic Halls will enable the asset to be proactively managed moving forward. Specifically to:
- Address maintenance issues;
 - Update 'end-of-life' mechanical and electrical systems;
 - Ensure the facility meets current operational environmental standards;
 - Provide the basis to proactively manage future lifecycle repairs and planned preventative maintenance;
 - Quantify annual running costs (revenue);
 - Profile lifecycle repair costs (capital); and
 - Ensure statutory compliance and safe operation of the facility.
- 11.2 Corporate Landlord is responsible for the management and delivery of the Council's land and property asset rationalisation and disposal process, as an integral part of its asset management activities. Recent asset challenge processes have identified potential capital receipts to support the Civic Hall restoration project. Progress will be monitored and reported to Corporate Landlord Board monthly, as part of land and property capital programme management.
- 11.3 Corporate Landlord is also responsible for ensuring the construction works are designed, procured and delivered on site within the agreed budget and timescale. This includes enabling works, surveys, construction contract management, site supervision and ensuring work is undertaken in compliance with statutory regulations.

12.0 Schedule of background papers

- 12.1 Cabinet (Resources) Panel '[Civic Halls Improvements and Full Restoration](#)', 16 January 2018
- 12.2 Cabinet (Resources) Panel '[Civic Halls Improvement Programme](#)', 19 July 2016.

13.0 Appendices

- 13.1 Appendix 1: Revised Business Case

Options Analysis and Business Case for the Civic Halls Improvement & Full Refurbishment Scheme

January 2018



wolverhampton.gov.uk

CITY OF
WOLVERHAMPTON
COUNCIL

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1.0 Introduction

1.1 This is the revised business case for the Civic Halls Improvement Project, which includes a full restoration of the grade 2 listed venue, as well as the delivery of the original improvements that have been approved and are already underway. The project was originally formally approved in October 2014. In July 2016 following a reworked project specification the project was formally revised. During the period up to July 2017 a range of significant construction and technical issues emerged once the main contractor was on site. These issues needed to be fully understood in order to inform a way forward. Consequently, a series of intrusive structural surveys were commissioned which have informed the revised scheme which is the subject of this business case.

1.2 The structure of the business case is in line with HM Treasury's Green Book appraisal format which is the standard approach for assessing projects in receipt of major public funding. This is the same format that was used in the original submission to the Black Country LEP for the £6.6 million grant. This was a strong proposal, resulting in the project being ranked fifth out of 55 projects put forward for Growth Deal funding in 2014. The case is made up of five, interlinked, components:

- Strategic case
- Financial case
- Economic case
- Commercial case
- Management case

2.0 Executive Summary

2.1 The Civic Halls is an iconic grade 2 listed entertainment venue in Wolverhampton City Centre. It has operated successfully for many years drawing visitors from across the UK and has helped position the City of Wolverhampton as a significant national and regional cultural location.

2.2 There is a compelling economic and business case for investing in the long-term future of the Civic Halls by undertaking the full refurbishment scheme. The following headline benefits will be realised:

- The long-term future of this important grade 2 listed building would be secured.
- A range of major structural issues which would seriously affect the building's future use would be fully addressed.
- The responsibilities of the Council as a responsible owner of this important grade 2 listed building would be satisfied.
- New legislative requirements, as well as emerging security and safety risks would be appropriately addressed.
- Future income streams would be secured and enhanced reducing any future Council subsidy.
- Future visitor spend in the City would be enhanced, particularly capitalising upon an improved city centre offer.

- Local employment, training and supply chain opportunities would be greatly enhanced.
- Opportunities to attract external income and investment into the city for regeneration purposes will be increased.

2.3 Given the significant issues that have emerged, as outlined in section 3, the following three options for have been fully considered:

- Option 1: Continue with the current scheme
- Option 2: Do full improvement and restoration scheme
- Option 3: Close venue and “mothball” building

2.4 The remainder of this report sets out the detailed business case for the recommended option, **Option 2 – Improvement plus Full Restoration** which was approved at Cabinet Resources Panel on 16th January 2018. The cost for this scheme is estimated at £38 million, of which £14.4 million has already been approved. The financial case for Option 2 sets out how the funding challenge can be met using planned capital receipts and income that will be commercially generated.

2.5 The other two options, that have been considered, are unable to deliver the quantum of benefits the full refurbishment gives and, equally significantly, would leave a building with a series of major ongoing risks and liabilities. With both these alternative options, significant risks around health and safety, and lack of resilience to a major incident, would continue to exist. In addition, with Option 1, there would be a high risk of further disruption to the Civic Halls entertainment offer after the completion of the scheme, affecting both audiences, promoters and the Council's ability to generate the necessary earned income. With Option 3, it would not be possible to fully meet our responsibilities for the conservation of heritage assets, as well as achieve the planned savings in the Council's current Medium Term Financial Strategy (MTFS).

3.0 Significant emerging issues

3.1 The original improvement scheme, was driven by the need to implement specific improvements to the building that would generate significant additional earned income. In order of importance at that time, the improvements included: increased seating, bar and hospitality areas, improved ventilation and new lifts and improved access to the Wulfrun Hall.

3.2 Following the first phases of enabling works in 2016, Cabinet Resources Panel were advised that detailed site and structural investigations required the design to be modified from that originally presented in 2014. The most significant issue was that the exposure of the foundations during the enabling works, identified that the existing structure could not hold the weight of the refurbished building as originally proposed. Thus, the scheme needed to be redesigned to reduce the weight on the foundations. Throughout the value engineering exercise, which was undertaken as part of the redesign process, the designers were required to gear the re-design towards generating sufficient additional income to cover the additional cost of borrowing i.e. to continue to maximise the increased seating capacity and bar areas.

- 3.3 Concurrently, an audit was undertaken of the governance and project management processes, and further actions were taken to strengthen processes and procedures.
- 3.4 In June 2017, an independent high-level review was commissioned by Corporate Landlord to advise on concurrent activities that should be carried out to minimise future maintenance and repairs for the longer term. This was approved by Cabinet Resources Panel on 25th July 2017. The surveys required were intrusive and could only take place whilst the building was not open to the public. The surveys covered: a full structural survey, and electrical system assessment, and an additional heating and ventilation assessment, including a re-run thermal model to confirm the operational temperatures during the various operational activities and to ensure warranties are in place for mechanical services. It also included a retained services assessment covering IT, lighting, access control, intruder alarm, voice alarm, induction loop etc, as well as a full assessment of the building; operation/ management /control / security / fire systems are required in light of recent events in the UK.
- 3.5 The issues that have been uncovered, as a result of the intrusive surveys, are of a sufficiently significant scale that a phased maintenance approach is unadvisable, as this presents a high risk of major disruption to the venue's operations in the future.
- 3.6 An independent Project Health Check has been undertaken by Faithful and Gould (F and G) during December 2017. Faithful & Gould are a global multi-disciplinary construction and property consultancy, spanning a diverse range of sectors from aviation, health, education, defence, manufacturing, public sector and of particular relevance, hospitality, arts and leisure projects in a heritage and conservation context. F&G were selected for this particular review as they have direct experience of contract, cost and project management of similar projects to the Civic Halls, namely, The Imperial Museum, London and locally, the City of Birmingham Symphony Orchestra (CBSO) hall. The review has assessed the scope, cost and delivery of the proposed improvement and full restoration scheme; a summary of findings is as follows:
- **Cost:** F and G's experience of similar projects and with reference to industry standards, confirms that the build cost is commensurate with the budget estimate.
 - **Procurement:** opportunities exist to renegotiate current contractual arrangements. Equally works can be re-tendered should circumstances change.
 - **Phasing and Programme:** the proposed single programme of circa 130 weeks is considered the best approach to mitigate disruption and minimise cost.
 - **Project controls:** a well-considered Project Execution Plan (PEP) is in place, setting out processes, governance and change control procedures.
 - **Design/Professional Team:** designs and specifications contain information broadly in line with expectations relative to the design stage reached. They are informed by a robust set of survey documents (also provides a basis of Employers Requirements should works be re-tendered). Designs appear to be well-considered, meet the end user aspirations and will enhance the user experience.
 - **Lifecycle:** Proposed works/budget aims to prolong the expected life of the building and improve the associated lifecycle costs (ongoing operations/maintenance). The enhanced scheme gives opportunity to capture lifecycle issues and address legacy backlog maintenance.

- **Value Engineering (Cost Reductions):** Limited opportunities to reduce the scope of the scheme without impacting on backlog/lifecycle maintenance issues; omitted works problematic/uneconomic to implement later.
- **Project Risks:** Risks are well considered, reviewed periodically and updated. Risk associated with asbestos should be largely mitigated by March 2018. Substantial contingency allowances are considered adequate for the remaining cost risk items.

- 3.7 The review provides assurance that the scope, cost and programme of works are appropriate to a heritage restoration project of this nature. It also acknowledges the difficulties and issues that have become apparent late in the project cycle which are predominantly because of opening-up works and intrusive surveys.
- 3.8 Consequently, the review endorsed that the level of contingency should be increased to circa 20% of core construction costs, due to the complex nature of the heritage project and the age/condition of the building. The review has been informed by a comprehensive suite of intrusive surveys in order to determine the scope previously unforeseen works. The scoping of these additional works has benefitted from 'opening-up' activities undertaken by the current contractor, something that was not available at the outset and initial design of the project.
- 3.9 Option 2 – Improvement plus full restoration, is estimated to cost is £38.1 million. This includes the £14.4 million already approved for enabling works, the construction of balconies, lifts and new bar areas, that featured in the original scheme. It also includes works to address fire and resilience to major incidents. Whilst the initial financial investment is substantially greater than the other two options i.e. either continue with the current scheme or to close the venue, when all aspects of the business case are considered Option 2 is the only option that will provide the city with the strategic, economic and asset management returns it should expect from investment in one of its premier cultural assets:

Element	Proposed Refurbishment Scheme
Mechanical	Complete replacement of heating, hot water, ventilation, cooling/air handling systems, mains water supply, automation and Building Management System.
Electrical	New sub-station, replacement of electrical services, fire detection, alarms, access controls, Closed Circuit Television (CCTV), Information and Communications Technology (ICT), lightning protection.
Structural	Structural works including column strengthening throughout the building to accommodate new balconies, new bar, roof structures, plant rooms, staircases, drainage, historic building defects.
Architectural	New extensions, balconies, seating and finishes, external, windows, doors, brickwork/tiling repairs, internal finishes, sanitary ware, anti-terrorism measures.

Indirect costs (fees, surveys, etc.)	Comprehensive asbestos removal/treatment, professional and statutory fees, enabling and reinstatement works, surveys, furniture, fixtures and fittings
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4.0 Strategic case

- 4.1 **Strategic economic and corporate plans:** There is a strong strategic and economic case for the full refurbishment of the Civic Halls. The council's corporate plan highlights the need for the city to maintain and develop a strong cultural offer as an integral part of its economic strategy. The Black Country Strategic Economic plan reinforces the economic importance of the city centre's entertainment and cultural offer, and specifically the contribution made by the Civic Halls as the largest entertainment venue in the Black Country, providing an affordable, quality offer to local people and visitors to the city
- 4.2 **Levering regional benefits and local investment:** A fully improved and restored refurbished Civic Halls could also play a key role in ensuring that the city of Wolverhampton benefits from the new, and significant West Midlands regional cultural programmes.
- 4.3 In addition, a fully refurbished Civic Halls will complement the leisure offer at nearby Westside in the city centre, increasing the ability to attract private sector investment into an improved hotel and hospitality offer.
- 4.4 **Economic recovery:** The Centre for Economics and Business Research Ltd (CEBR) 2013 highlights the importance of the cultural, creative and entertainment sector in helping to rebalance economies that have been in decline and that the largest centres for culture also have the largest levels of employment in the knowledge economy. The City of Wolverhampton's ongoing commitment to investing in the cultural and creative economy is starting to pay dividends, and a recent analysis of our knowledge economy shows it is now growing faster than the UK average.
- 4.5 **Economic growth:** The cultural and creative sectors are an important niche sector for the city. Since the business case for the Civic Halls original improvement scheme was made in 2014, further research has reinforced the economic importance of the role of the publicly owned cultural and entertainment venues in helping to grow and establish the sector in Wolverhampton. In November 2016, industry experts Burns Owen Partnership Consulting (BOP) undertook an analysis of available ONS data, and identified that at least 2,642 people were employed in creative and cultural registered businesses within the city. More significantly, within the cultural sector, 25% of local jobs in this sector are in music, performing and visual arts, compared with 9% nationally. The Civic Halls, as the largest local employer in this sub-sector has a pivotal role to play, as well as being instrumental in making the City of Wolverhampton an attractive place to set up a creative business.
- 4.6 **Opportunities to capitalise on new market opportunities:** To ensure that the city fully maximises the opportunities from the full restoration of the Civic Halls two sector specific independent assessments have been commissioned to review all the

strategic opportunities over and above the opportunities already identified. The final reports will be received in mid-January and mid-February respectively.

- 4.7 **Statutory responsibilities for safeguarding of heritage assets:** The Civic Halls are a high-profile grade 2 listed building, located in one of the city centre conservation areas. The building, constructed in 1938 and designed by architects Lyons and Israel, is a classic example of Art Deco style and was modelled on Tengbom's Stockholm Concert Hall. The listing not only reflects the quality of the architecture, it is also an acknowledgement of the role that the Civic Halls plays in Wolverhampton's social and economic history, particularly its significant contribution to the music heritage of the city.
- 4.8 Guidance to Local Authorities, published by the government agency, Historic England, summarises the multi-faceted responsibilities for Local Authorities as owners, users and regulators of local heritage assets. Acknowledging the financial pressures Local Authorities are under, the guidance also places heavy emphasis on the benefits that preserving strategically important historic assets can bring to a locality, and reinforces the responsibility Local Authorities have for conserving heritage assets in a manner appropriate to their significance, so they can be enjoyed by current, and future, generations. Councils are advised to adhere to these principles of best practice when considering their own heritage properties. In particular, when making a decisions on a listed building, a local planning authority must have special regard to the desirability of preserving the building. This obligation, found in sections 16 and 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990 (1), applies to all decisions concerning listed buildings. Council decisions that result in the deterioration and neglect of a heritage asset, can lead to court action by Historic England or other relevant statutory heritage consultees.
- 4.9 **Asset Management:** The Civic Halls are considered a key strategic asset within the Councils land and property portfolio. It is accepted that such a heritage asset will require specific, and often intensive and bespoke, management and maintenance arrangements, to ensure it retains its iconic status within the City and continues to contribute to its wider cultural offer. Therefore, it is managed as an asset within the balanced property portfolio. With the insight acquired over the last 12 months, it is now planned to accelerate disposal of surplus land and buildings as part of the Council's new asset rationalisation programme.
- 4.10 This rationalisation and disposals programme will generate capital receipts for the Council to invest in the Civic Halls, in order to address the emerging structural issues and undertake work so that the venue can be proactively managed in the future. The proposed full restoration scheme restores the Civic Halls to a condition from which future management and maintenance operations can be scoped and programmed throughout a rolling 25-year lifecycle. This will minimise reactive repairs to failures and ensure the asset remains in a safe and operational condition moving forward. Similarly, the risk of building failure will be significantly reduced and therefore interruption to events and activities minimised.
- 4.11 **Statutory Compliance:** As duty holder under Health and Safety legislation the Council has explicit responsibility to ensure that buildings are safe for employees,

visitors and other persons. Key compliance activities include fire risk management, asbestos management, Legionella management and maintenance of plant and equipment. The proposed restoration scheme will replace many of the out-dated and imminent 'end-of-life' systems, significantly improving the management and cost of statutory compliance activities. Modern, effective and efficient plant and equipment will also contribute to lower running costs of the asset.

5.0 Financial case

5.1 The estimated capital costs of the recommended **Option 2, Improvement and Full Restoration Scheme**, totals £38.1 million, of which £14.4 million has already been approved. Funding sources considered in this business case are the use of capital receipts generated through the asset rationalisation programme, external grant funding and council borrowing.

5.2 A range of scenarios have been considered from best to worse case to meet the funding the gap of £23.7 million. Three main scenarios are considered to be realistic, based on a mix of:

- Capital receipts
- Grant income
- The resulting gap from borrowing, that will be paid back through improved commercial activity in the Civic Halls on completion of the scheme.

5.3 The current base line funding level has been determined by the predicted commercial income from the core Civic Halls entertainment offer that will be generated on the completion of the Full Improvement and Refurbishment Scheme. The following factors have been taken into account:

- Base data from the latest events schedule and net income generated, including additional income generated through new agreements with suppliers
- Allowance for increased capacity as a result of the capital scheme i.e. increased seating and hospitality
- A modest levy on tickets sales

5.4 The calculation of the base line has been prudent in that it does not make any assumption about growth in the number of events. It is recognised that, following a period of closure, it is likely to be a number of years before the additional level of events is secured and therefore growth in income is generated.

5.5 **Process for generating capital receipts from asset rationalisation:** The financing of the new scheme will be dependent on the generation of capital receipts. Corporate Landlord manages and delivers the Council's land and property asset rationalisation and disposal process, as an integral part of its asset management activities. The programme for the identification and disposal of surplus land and property is endorsed at Corporate Landlord Board and subsequently approved at Cabinet Resources Panel. The rationalisation process seeks to deliver the Council a 'balanced' portfolio of land and property assets, primarily through the identification and disposal of surplus sites, delivering both capital receipts and reducing revenue

pressures. The balanced portfolio is complimented by the identification, acquisition and commercial management of income generating investment properties/sites.

- 5.6 The disposal programme is reviewed monthly via the Corporate Landlord Board and will be subject to over-programming to ensure capital receipts are achieved to support the Council's capital programme. The imminent asset challenge of land will, in part, further inform the development of the programme.
- 5.7 **New grants:** A strong pro-active approach to securing external funding is also underway.
- 5.8 **Commercial Income:** The commercial income predictions in paragraph 5.3 are based on the current performance for the Civic Halls commercial entertainment offer, which is a mix of pop, rock, comedy and sport, the financial baseline and assumes the refurbished Civic Halls will host a total of 182 events per annum. The commercial income predictions also take into account direct and additional staffing costs. Also taken into account is the contribution to the Council's MTFS savings and contribution towards the borrowing already planned.
- 5.9 **Commercial (new – conferencing and training):** Additional income from new activities, such as additional training and niche conferencing, have not yet been assumed, but will be taken into account in the final model once the final reports from the independent consultants have been received.
- 5.10 **Sponsorship –** Expert consultants in the music sector have also been appointed to explore the opportunities for further collaborations, partnerships and sponsorships within the music sector. Their final report is due in February.
- 5.11 **Risk of clawback:** In considering the financial business case across the three options, it is only option 2 that wouldn't place the Council in risk of clawback.

6.0 Economic case

- 6.1 **Local jobs and supply chain:** Prior to any improvement work, the Civic Halls and Grand Theatre supported around 640 direct, and indirect, local jobs, with the majority being attributed to the Civic Halls service. For the original improvement scheme for the Civic Halls it was calculated that around a further 110 direct and local supply chain jobs could be created. Only Option 2 that provides confidence that the local employments benefits will be achieved and exceeded on the completion of the capital works. As well as ensuring a top-quality entertainment venue for the next 25 years and beyond, the most recent assessment is that the total programme, based on option 2, will now support 876 direct and indirect jobs.
- 6.2 **Local GVA growth:** Gross Value Added (GVA) is the measure of goods and services produced in a local area, once the costs of production are taken into account. It is an important indicator of growth and productivity within a local economy. The GVA baseline for the Civic Halls service was £4.3 million directly and within supply chains for the local economy, with further £3.6 million through collaboration with the Grand Theatre. Option 1 was originally calculated to create an additional £1.7 million local, however concerns about business continuity post-

completion of the project put this in jeopardy. Conversely, a full refurbishment, proposed in option 2 is likely to further increase the direct and indirect GVA supported by the Civic Halls service. As with the employment benefits, only option 2 provides confidence that local growth and productivity levels will be achieved, and exceeded, on the completion of the capital works.

6.3 **Skills and training:** Included within the business case for the original Civic Halls improvement scheme was a commercial partnership with the City of Wolverhampton College to deliver vocational and training courses. It was calculated that 60 additional learners and 60 additional qualifications will be achieved per annum on completion of the project. With a fully restored venue that includes increased safeguarding and improved access, the collaboration between the council and the College has the potential to be extended in order to deliver a wider range of courses, traineeships, pre-apprenticeships and apprenticeships.

6.4 **Economic inclusion:** The Greater Birmingham Visitor Economy Strategy Economic Impact study by Regeneris (2014) also highlights the importance of the visitor economy in providing job opportunities for lower skilled, often younger aged job seekers. The original business case for the Civic Halls, identified that there was the potential to create one of the largest “intermediate labour markets” in the city by working in partnership with YOO Recruit and the Wolverhampton Adult Education Service. With Option 2 the Improvement and Full Restoration scheme, it is possible that these opportunities could be further increase, particularly in respect to trainee, pre-apprenticeships and apprenticeships.

7. Commercial case

7.1 The commercial section of the business case, is concerned with whether there are sufficient and viable market opportunities to support the planned end use of a capital project.

7.2 **Ongoing evidence of strong local and regional demand for the core Civic Halls entertainment offer:** The findings from the 2013 BOP commission helped to make the commercial case. A range of well-established quantitative research methods were used to analyse the current supply and demand, assess the potential of redevelopment to commercialise the operations and increase levels of earned income.

7.3 The 2013 BOP Report concluded that the Civic Halls has a unique position within the market. With a seating capacity of 3,000, and close proximity to good rail and road infrastructure, the Civic Halls are already the largest entertainment, events and cultural venue in the Black Country and are therefore uniquely positioned, with increased seating and an improved hospitality offer, to grow to meet any gaps or new opportunities opening up in the Urban West Midlands market.

7.4 Other evidence captured in the 2013 BOP report that supported the commercial case included:

- The Civic Halls and Grand Theatre are already well-established and popular venues which draw very large audiences.

- There is a large pool of potential new audiences that could be drawn upon. Young visitors to the West Midlands, in particular, are attracted by live events and music, festivals, arts and culture, and night life.
- Over 2,000 people surveyed by BOP who are customers of the Civic Halls rated the range and quality of the offer very highly at 96%. The BOP Report reinforced the proposed capital investment. 74% of the current audience said they would visit more regularly if the capital investment increased the seating capacity. If the stage and backstage improvement meant that the Civic could host bigger shows and offer more choice, then 41% of the current audience say they would visit more regularly.
- 47% of survey respondents said it was important to improve the ancillary offer e.g. bar and hospitality offer.
- Members of the entertainment industry, with whom the Civic Halls venue has established relationships, have confirmed that improvements to the Civic Halls would make it easier to book bigger and more varied shows.

	Current	After Improvement
Total Civic Hall seats	2025 plus 190 standing if required (2215 total)	2597 plus 160 standing if required (2757 total)
Total Wulfrun Hall seats	661	1007 plus 30 standing if required (total 1037)
Total Civic Hall standing	3000	3574
Total Wulfrun Hall standing	1134	1380

- 7.5 **Latest trading position:** The latest information generated from trading during the Civic Halls temporary opening from September – December 2017 was that both supply from promoters, and demand from audiences, has been very strong, reinforcing that the assumptions made in 2013 are still current and valid. City Centre Living being brought forward on the Royal Hospital site and other city centre schemes will also generate a new local footfall and demand for cultural activities in the future for the Civic Halls core entertainment offer.
- 7.6 **Diversification:** It is anticipated that, with a full restoration scheme and a stronger offer within new commercial markets, such as conferencing, the direct and indirect economic benefits could be higher, particularly given the more advanced state of the wider city centre regeneration schemes, such as Westside. For example, in May 2014 an independent report commissioned by Marketing Birmingham identified a potential gap in the urban West Midlands market for an additional conferencing and exhibition venues.
- 7.7 BOP Consulting will complete an updated assessment, which will be based on the current market analysis. Industry experts have also been employed to explore new opportunities and market positioning for the Civic Halls, specifically within the music sector.

7.8 **Commercial partnerships:** The decision in 2014 to improve seating capacity and the bar areas in the Civic Halls, has enabled the Council to enter into stronger commercial partnerships that include third party investment in the latest technology.

8. Management case

8.1 **Original scheme:** The surveys and assessments have confirmed that the original scheme, option A, cannot be delivered within the approved budget, primarily for the following reasons:

- Changes in legislation have led to increased provision of mechanical heating and ventilation equipment to ensure statutory compliance and associated electrical. Performer and audience comfort needs to be assured with effective air conditioning.
- Significant structural changes are required to accommodate the additional loadings generated by compliant mechanical and electrical equipment, as well as repairs to the fabric of the building.
- Asbestos requiring removal to facilitate core works is more extensive than anticipated prior to initial opening-up works.

8.2 **Additional work:** to prevent disruption to the city's entertainment offer in the future and to increase levels of security, the following issues will also be addressed now, under option 2, Improvement and Full Restoration scheme, rather than staggering the work into a series of future phases:

- The existing electrical substation is outdated, has insufficient capacity for future events and requires replacement.
- Many of the existing mechanical and electrical systems are close to end-of life and require urgent comprehensive replacement to mitigate imminent risk of failure, whilst providing a low maintenance solution moving forward.
- Building defects are significant and require immediate attention to ensure improvements provide a 25- 40 year life cycle.
 - Roof repairs and re-tiling
 - Lift replacement
 - Building fabric and parapet repairs
- Security, alarms and emergency lighting requires comprehensive replacement
- Counter terrorism measures have been increased within scheme following recent national events, such as in Manchester.

8.3 **Project Timeline:** The full restoration project will require a proportional increase in both the design and the construction periods, over and above those of the current improvement scheme. Following analysis of the findings of the intrusive surveys, assessments and subsequent preliminary redesigns necessary to rescope the full restoration, it is proposed that the completion of works will extend to October 2020, compared with a revised December 2019 for the current improvement scheme. This extension has, in part, been mitigated by not reopening every Autumn throughout the contract programme.

8.4 **Managing Business Continuity:** There will be a significant impact on business continuity with any of the three options considered, given the extended timescale to undertake the capital works. The advantage of Option 2 is that it will minimise

reactive repairs and risk of building failure will be significantly reduced and therefore interruption to events and activities minimised. Experience from the last couple of years has demonstrated how difficult it is to maintain a quality entertainment offer, alongside undertaking major building works, and this should be avoided in the future, in order to regain and retain the confidence of promoters and audiences.

- 8.5 The extended period of closure means that in the short-term, alternative venues will need to be found for key events. Unfortunately, a temporary reduction in staffing levels will be necessary given financial constraints, however key staff will need to be retained in order to maintain and build new relationships with promoters and partners.

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 31 January 2018
----------------------------------------------	--------------------------------------------------------------

Report title	Report of the Independent Remuneration Panel	
Referring body	Standards Committee, 19 January 2018	
Councillor to present report	Councillor Milkinder Jaspal	
Wards affected	All	
Cabinet Member with lead responsibility	Councillor Milkinder Jaspal, Governance	
Accountable director	Kevin O'Keefe, Director of Governance	
Originating service	Governance	
Accountable employee	Kevin O'Keefe	Director of Governance
	Tel	01902 557981
	Email	Kevin.O'Keefe@wolverhampton.gov.uk
Report to be/has been considered by	Standards Committee	19 January 2018

Recommendations for decision:

The Council is recommended to:

1. Consider and approve the report of the Independent Remuneration Panel or reject and approve alternative proposals for each of the following recommendations made by the Panel:

Recommendation 1: That for the municipal years 2018/19 – 2021/22 the Basic Allowance be increased each year by any percentage increase in pay agreed for local government employees.

Recommendation 2: That no change should be made to the current Special Responsibility Allowances.

Recommendation 3: That no change should be made to the current Dependant Carers' Allowance.

Recommendation 4: That no change should be made to the current Travelling and Subsistence Allowances.

Recommendation 5: That no change be made to the current Co-optees Allowances.

2. Approve that the section on Membership of the Local Government Pension Scheme be removed from the Councillor Allowances scheme.
3. Delegate authority to the Monitoring Officer to amend the Scheme of Councillor Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

1.0 Purpose

- 1.1 To consider the report of the Independent Remuneration Panel (appendix 1) on a review of Councillor's Allowances.

2.0 Background

- 2.1 On 19 January 2018, Standards Committee considered a report of the Independent Remuneration Panel.
- 2.2 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website. [Click here to access the report](#). Councillors are asked to refer to the report when considering the recommendations from the Standards Committee.
- 2.3 Standards Committee recommended to Council that:

1. the report of the Independent Remuneration Panel be considered and approved or rejected and alternative proposals approved for each of the following recommendations made by the Panel:

Recommendation 1: That for the municipal years 2018/19 – 2021/22 the Basic Allowance be increased each year by any percentage increase in pay agreed for local government employees.

Recommendation 2: That no change should be made to the current Special Responsibility Allowances.

Recommendation 3: That no change should be made to the current Dependant Carers' Allowance.

Recommendation 4: That no change should be made to the current Travelling and Subsistence Allowances.

Recommendation 5: That no change be made to the current Co-optees Allowances.

2. The section on Membership of the Local Government Pension Scheme be removed from the Councillor Allowances scheme.
3. Delegate authority to the Monitoring Officer to amend the Scheme of Councillor Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Standards Committee report of 19 January 2018.

4.0 Legal implications

4.1 The legal implications are detailed in the Standards Committee report of 19 January 2018.

5.0 Equalities implications

5.1 The equalities implications are detailed in the Standards Committee report of 19 January 2018.

6.0 Environmental implications

6.1 The environmental implications are detailed in the Standards Committee report of 19 January 2018.

7.0 Human resources implications

7.1 The human resources implications are detailed in the Standards Committee report of 19 January 2018.

8.0 Corporate Landlord implications

8.1 The Corporate Landlord implications are detailed in the Standards Committee report of 19 January 2018.

9.0 Schedule of background papers

9.1 Standards Committee report – 19 January 2018.

10.0 Appendices

10.1 Appendix 1 – Report of the Independent Remuneration Panel

CITY OF WOLVERHAMPTON COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON COUNCILLORS' ALLOWANCES

Date: January 2018

Independent Remuneration Panel

The City of Wolverhampton Council Independent Remuneration Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2003 to provide advice and recommendations to the Council on amounts to be paid under its Councillors' Allowances scheme. Members of the Panel are appointed by the Council and are independent members of the local community.

The Independent Remuneration Panel has reviewed the Councillors' Allowances scheme and, on behalf of the Panel, I present the report and recommendations for the payment of Members' Allowances for 2018/19- 2021/22. This report is required by the Local Authorities (Members' Allowances) (England) Regulations 2003. In conducting this review, the Independent Remuneration Panel has had regard to the 2006 `Statutory Guidance on Members Allowances.

The Council is required to have regard to our recommendations in deciding what allowances to pay Councillors. Additionally, the Council must also publish our recommendations and conclusions, together with the approved scheme.

Reverend David Wright

Chair of the Independent Remuneration Panel

1. Panel Membership

1.1 The Panel composed of three members:

- Miss Habiba Amjad – Member of the public
- Mr Miceal Barden – Dean of the Faculty of Social Sciences, Wolverhampton University
- Reverend David Wright – Representing the Rector of St. Peters Church Wolverhampton

2. How the Panel Approached the Review

2.1 The Panel chose the following means of gathering evidence.

- **Consideration of relevant legislation and guidance**

Councillor's allowances are paid in accordance with Local Government and Housing Act 1989 and the Local Government Act 2000. Section 18 of the 1989 Act, as amended by Section 99 of the Local Government Act 2000 makes provision in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities. Section 100 of the 2000 Act allows the Secretary of State to make provision in relation to travel and subsistence allowance for members of local authorities and an allowance for non-councillors who are members of a council's committee or sub-committee.

The Local Authorities (Members' Allowances) (England) Regulations 2003 were made under these provisions. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme. Councils are required to establish an Independent Remuneration Panel which will provide the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. The Council must have regard to this advice from the Panel.

- **Consideration of the current scheme of allowances**

The Panel were required to review the range of allowances currently paid to members of Wolverhampton City Council. Details of the current schedule of the allowances are included at **Annex 1**.

- **Review of comparative allowances**

In looking at the allowances paid we sought to understand the level of allowances paid to Councillors performing similar roles at similar sized Councils. As with the previous report we have used the Councils in the CIPFA family group and particular attention has been paid to the allowances paid by the other three other Black Country authorities.

3. Scope of the Report

- 3.1 The report sets out the Panel's recommendations to enable the Council to agree a new Councillors' Allowances Scheme.
- 3.2 These recommendations take account of the Council's current political composition and political management arrangements. Recommendations should be applied from the start of the 2017 - 2018 municipal year.
- 3.3 The Panel reviewed the Council's scheme of Councillors Allowances and Expenses in accordance with the provisions of the Regulations and its terms of reference covered:

Review of allowances:

- Review the level of Basic Allowance;
- Review all Special Responsibility Allowances;
- Review of Dependent Carer's Allowance;
- Decide whether the level of allowances are to be determined according to an index and if so which and for how long
- Review Travelling and Subsistence Allowances
- Review Co-optees Allowances

4. Background Information – City of Wolverhampton Council

- 4.1 The City of Wolverhampton Council has 60 Councillors representing 20 wards. The current political composition of the Council is:

Party	Number of Seats
Conservative	10
Labour	49
UKIP	1

- 4.2 The Council operates a Leader and Cabinet model of governance. The Cabinet is currently made up of the Leader of the Council, Deputy Leader of the Council and eight other Cabinet Members. Each of the 10 members of the Cabinet has a specific portfolio of responsibilities.
- 4.3 The Council currently has six themed Scrutiny Panels and an overarching Scrutiny Board whose role is to hold the executive to account, contribute to policy development, carry out reviews and monitor the performance of the Council.

- 4.4 The Council also appoints a number of other Committees to exercise its regulatory functions and other functions that are not the responsibility of the executive.

5. The Basic Allowance

- 5.1 The basic allowance is intended to recognise the time commitment of all councillors for calls on their time including meetings with council employees, meetings with constituents, attendance at political group meetings and incidental costs such as the use of their homes.
- 5.2 The Panel noted that the national guidance states that it is important that some element of the work of councillors continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members and to ensure that despite the input required people are encouraged to come forward as elected members and that their service to the community is retained.
- 5.3 It is a requirement of the regulations that a basic allowance be paid to all councillors in an authority and paid at the same level for all councillors.
- 5.4 The basic allowance in Wolverhampton has been operating for some years. Between 1 April 2014 and 31 March 2017, any increase in the allowance was aligned to increases in the nationally agreed pay scales for local authority employees.
- 5.5 The Panel compared the basic allowance paid in Wolverhampton with those paid by neighbouring authorities in the region and authorities in the recognised groupings of comparable authorities. It also looked at local and regional wage rates and considered the element of public service discount expected in the role.
- 5.6 The Panel's view is that the level of the current basic allowance remains reasonable in balancing these aims and compares appropriately to local average pay levels. Benchmarking indicates that the level of the allowance is slightly lower in its comparator groups but the Panel has decided not to propose any change, other than to maintain the principle of increasing the allowance in line with any percentage increase for government employees.

Recommendation 1: That for the municipal years 2018/19 – 2021/22 the Basic Allowance be increased each year by any percentage increase in pay agreed for local government employees.

6. Special Responsibility Allowances

- 6.1 Each local authority may also make provision in its scheme for the payment of special responsibility allowances (SRA) for those councillors who have significant responsibilities over and above the generally accepted duties of a councillor.

6.2 The responsibilities remunerated under Wolverhampton's current Scheme of Allowances are:

- Leader
- Deputy Leader
- Leader of the Main Opposition Group
- Deputy Leader of the Main Opposition Group
- Cabinet Member
- Chair – Scrutiny Board
- Chair – Scrutiny Panel
- Chair – Planning Committee
- Chair – Licensing Committee
- Chair – Pensions Committee
- Chair – Audit Committee

- Vice-Chair – Scrutiny Board and Panels
- Vice-Chair – Planning Committee
- Vice-Chair – Licensing Committee
- Vice-Chair – Pensions Committee
- Vice-Chair – Audit Committee

- Leader of a Minority Opposition Group *
- Councillor Champions

“Special Responsibility Allowance for the Leader of a Minority Opposition Group to be paid only if a Minority Opposition Group comprises five or more Councillors”

- 6.3 In reviewing the SRAs, the Panel carefully considered the national guidance which explains that they may be paid to those councillors of the council who have significant additional responsibilities over and above the generally accepted duties of a councillor. The guidance states that it does not necessarily follow that particular responsibilities given to a particular councillor is a significant additional responsibility for which a special allowance should be paid. Such duties may not lead to a significant extra workload for any one particular councillor above another and that they should be recognised as time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which an SRA should be recommended.
- 6.4 The Panel noted that its responsibility is limited to considering whether any roles should be remunerated under the scheme, not the content and structure of any roles which the Council may choose to establish.
- 6.5 Like many other authorities, Wolverhampton's scheme recommends that only one SRA can be claimed by those councillors who hold two or more different roles each entitled to an SRA and the Panel supported maintaining this approach.

- 6.6 The Panel reviewed evidence about the time commitment and responsibilities involved and considered benchmarking information. It was noted that most of the roles remunerated by Wolverhampton are remunerated by other comparator authorities and the levels of allowances paid by Wolverhampton are at or around the average or significantly higher for certain roles.

Recommendation 2: That no change should be made to the current Special Responsibility Allowances.

7. Carers' Allowances

- 7.1 The Panel concluded that no change should be made to the current carers' allowances.

Recommendation 3: That no change should be made to the current Dependant Carers' Allowance.

8. Travel expenses and Subsistence Allowances

- 8.1 The Panel concluded that no changes should be made to the current travel expenses and subsistence allowances.

Recommendation 4: That no change should be made to the current Travelling and Subsistence Allowances.

9. Co-optees Allowances

- 9.1 The Panel concluded that no change should be made to the current Co-optee allowances.

Recommendation 5: That no change be made to the current Co-optees Allowances.

10. Recommendations of the Panel:

1. That for the municipal years 2018/19 – 2021/22 the Basic Allowance be increased each year by any percentage increase in pay agreed for local government employees.
2. That no change should be made to the current Special Responsibility Allowances.
3. That no change should be made to the current Dependant Carers' Allowance.
4. That no change should be made to the current Travelling and Subsistence Allowances
5. That no change be made to the current Co-optees Allowances.

Annex 1

Schedule of Basic and Special Responsibility Allowances

Basic Allowance (All Councillors) – £9,181

Description	From 04.06.14
Special Responsibility Allowance (SRA)	
Leader	25,000
Deputy Leader	20,000
Leader of the Main Opposition Group	15,000
Deputy Leader of the Main Opposition Group	2,500
Cabinet Member	15,000
Chair – Scrutiny Board	15,000
Chair – Scrutiny Panel	10,000
Chair – Planning Committee	15,000
Chair – Licensing Committee	15,000
Chair – Audit Committee	10,000
Chair – Pensions Committee	10,000
Vice-Chair – Scrutiny Board and Panels	2,500
Vice-Chair – Planning Committee	5,000
Vice-Chair – Licensing Committee	5,000
Vice-Chair – Audit Committee	2,500
Vice-Chair – Pensions Committee	2,500
Councillor Champion	2,500
Ceremonial Mayor (inclusive of £2,500 clothing allowance)	20,000
Ceremonial Deputy Major (inclusive of £1,250 clothing allowance)	5,000

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 31 January 2018
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Report title	Questions to Cabinet Members	
Referring body/Person	Councillor Paul Singh Councillor Barry Findlay Councillor Wendy Thompson Councillor Christine Mills	
Cabinet Member with lead responsibility	Councillor Andrew Johnson, Resources Councillor Steve Evans, City Environment Councillor John Reynolds, City Economy	
Wards affected	All	
Accountable director	Kevin O'Keefe, Director of Governance	
Originating service	Democratic Services	
Accountable employee	Colin Parr	Head of Governance
	Tel	01902 550105
	Email	Colin.Parr@wolverhampton.gov.uk

Recommendation for decision:

The Council is recommended to:

1. That the Cabinet Members for Resources, City Economy and City Environment respond to the questions received in accordance with the Council's procedure rules.

1.0 Purpose

1.1 For the Cabinet Members to respond to the questions received:

a. Bilston Road Disruption

Councillor Paul Singh to ask the Cabinet Member for Resources: -

How many of the affected businesses fall eligible to pay business rates as they are over a £12,000 rateable value threshold?

From this number how many have appealed for the duration of the works from June 2017 to December 2017 to the Valuation Office Agency and have successfully had a reduction? And. what is the approximate timescale e.g. quarter 2 or 3 in 2018, for when small businesses will receive any hardship fund if successful with the West Midlands Combined Authority?

b. Wolverhampton Market Relocation

Councillor Barry Findlay to ask the Cabinet Member for City Environment: -

Has an enquiry been instituted into the doubling of the cost for the Market relocation, and when will the findings of the enquiry be made public?

c. Civic Hall Overspend

Councillor Wendy Thompson to ask the Cabinet Member for City Economy: -

A report to the Audit Committee was issued following the Council's Audit & Risk Committee on 3 July 2017. It confirmed that the Director of Finance and the Service Director for City Economy planned to undertake a health check to ensure that the project was on track with implementation of the Internal Audit recommendation.

When was the Audit Committee informed about the progress of the implementation of the recommendations following the report to the Council's Audit & Risk Committee from the Annual Report presented on 3 July 2017?

d. Wolverhampton Interchange

Councillor Christine Mills to ask the Cabinet Member for City Economy: -

Has an enquiry been instituted into the considerable increase in the cost for the Wolverhampton Interchange, and when will the findings of the enquiry be made public?