

City of Wolverhampton Council – Decisions taken by the Cabinet on Wednesday, 20 February 2019

Title	Capital programme 2018-2019 to 2022-2023 quarter three review and 2019-2020 to 2023-2024 Budget Strategy
Status	Forward to Council
Record of Decision	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the City of Wolverhampton Council Capital Strategy. 2. Approve the revised medium term General capital programme of £337.8 million, a reduction of £1.3 million from the previously approved programme and the change in associated resources. <p>Cabinet resolved:</p> <ol style="list-style-type: none"> 1. That the virements for the General capital programme be approved as detailed at Appendix 5 of the report for; <ol style="list-style-type: none"> i. Existing projects totalling £1.8 million; ii. New projects totalling £5.7 million. 2. That both delegations to the Cabinet Member for Resources, in consultation with the Director of Finance, be approved to continue to approve the allocation of; <ol style="list-style-type: none"> i. The Corporate Contingency to individual projects in order that corporate priorities may be addressed in a more agile and timely manner; ii. The Transformation Development Efficiency Strategy to individual transformation projects in order to benefit from the capital receipts flexibility announced in the Autumn Statement 2015 and in line with the Medium Term Financial Strategy. 3. That authority be delegated to the Cabinet Member for Adults and Cabinet Member for City Assets and Housing, in consultation with the Director of Finance, to approve the allocation of the Disabled Facilities Grants budget to individual projects to enable the grant to be utilised in a timely and agile manner.

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	<p>4. That it be noted that there are four new projects requiring internal resources for Secondary School Expansion Programme included in this report, but which are subject to a separate detailed project report also on this agenda. The inclusion of these projects is for budget approval purpose and is on the assumption that the approval to progress with the projects is given. As the progression is dependent on that decision, if the projects are not approved, the capital programme will be reduced accordingly. The names of the projects are:</p> <ul style="list-style-type: none"> • Highfields School; • Ormiston SWB Academy; • St Edmund’s Catholic Academy; • West Midlands University Technical College (UTC).
Options Considered	<p>This report provides an update on progress of capital projects during 2018-2019 and anticipated budget requirements for future years. The evaluation of alternative project options is detailed in individual investment proposals.</p>
Reasons for Decision	<p>To seek Cabinet’s recommendation to Council to approve the revised capital budgets. This will ensure that the capital programme budget reflects the latest forecasts and requirements.</p>
Record of Conflicts of Interest	<p>Councillor Val Gibson declared a non-pecuniary interest as a governor of South Wolverhampton and Bilston Academy. Councillor Louise Miles declared a non-pecuniary interest as an employee of the University of Wolverhampton.</p>
Dispensation Granted	<p>N/A</p>
Decision available for implementation (subject to call-in)	<p>N/A</p>

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Title	Treasury Management Strategy 2019-2020
Status	Forward to Council
Record of Decision	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the authorised borrowing limit for 2019-2020 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 be set at £1,141.5 million (PI3, Appendix 3 to this report); the forecast borrowing is below the authorised borrowing limit. 2. Approve the Treasury Management Strategy Statement 2019-2020 as set out in Appendix 1 to this report. 3. Approve the Annual Investment Strategy 2019-2020 as set out in Appendix 2 to this report. 4. Approve the Prudential and Treasury Management Indicators as set out in Appendix 3 to this report. 5. Approve the Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2019-2020 as set out in Appendix 4 to this report. 6. Approve the Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 to this report. 7. Approve the continuation of delegated authority to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Cabinet Member for Resources and Cabinet (Resources) Panel as appropriate. 8. Approve the removal of the Local Prudential Indicator LPI 2 – HRA limit on indebtedness from the 2018-2019 Prudential and Treasury Management Indicators approved by Council on 7 March 2018.

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	<p>9. Note that the MRP charge for the financial year 2019-2020 will be £15.4 million; it is forecast to increase to £18.2 million in 2020-2021 (paragraph 2.14 of the report).</p> <p>10. Note that Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2019-2020 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in paragraph 2.12 and Appendices 2 and 3 to this report.</p> <p>11. Note that the statements for 2019-2020 reflect the new Code of Practice on Treasury Management and the Prudential Code and also the revised guidance on Local Government Investments issued by the Ministry of Housing, Communities & Local Government.</p> <p>Cabinet resolved:</p> <p>1. That it be noted that the financial information included in this report is based on the ‘Capital programme 2018-2019 to 2022-2023 quarter three review and 2019-2020 to 2023-2024 budget strategy’ report also on the agenda for this meeting. The capital report is subject to a report being separately approved by Cabinet also at this meeting. Therefore, if this approval is not obtained, a revised version of this report will be presented to Council on 6 March 2019.</p>
<p>Options Considered</p>	<p>The Treasury Management Strategy 2019-2020 outlined in this document meets the requirements of CIPFA’s Code of Practice on Treasury Management and the Prudential Code for Capital Finance along with the MHCLG’s Guidance on Local Government Investments and Minimum Revenue Provision. The MHCLG guidance defines a prudent investment policy as having two objectives, security which must be achieved first, followed by liquidity. Only after these have been met should yield be considered. The criteria included in this report are that which meet all the above guidance.</p>
<p>Reasons for Decision</p>	<p>To seek approval of the Treasury Management Strategy 2019-2020 in accordance with both government guidance and Codes of Practice.</p>

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Record of Conflicts of Interest	None
Dispensation Granted	N/A
Decision available for implementation (subject to call-in)	N/A

Title	2019-2020 Final Budget and Medium Term Financial Strategy 2019-2020 to 2023-2024
Status	Forward to Council
Record of Decision	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the net budget requirement for 2019-2020 of £234.9 million for General Fund services (as set out at paragraph 18.1 of this report). 2. Approve the Medium Term Financial Strategy 2019-2020 to 2023-2024 as detailed in Table 10 and the budget preparation parameters underpinning the MTFS as detailed in Appendix 1 to this report. 3. Approve a Council Tax for Council services in 2019-2020 of £1,617.06 for a Band D property, being an increase of 4.99% on 2018-2019 levels, which incorporates the 2% increase in relation to Adult Social Care (as set out at paragraph 7.5 of this report). 4. Approve that work start on developing budget reductions and income generation proposals for 2020-2021 onwards in line with the Five Year Financial Strategy (as set out at paragraph 14.3 of this report) and progress be reported to Cabinet in July 2019 (as set out at paragraph 18.8 of this report). 5. Approve the revision to the Council Tax Charges on Empty Properties and Second Homes Policy with effect from 1 April 2019 to introduce additional charges (as set out at paragraph 8.3 of this report).

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Cabinet resolved:

1. That the changes to the 2019-2020 draft budget for General Fund services, since the draft budget was last reported to Cabinet on 17 October 2018, as detailed in sections 3 to 17 of this report be approved.
2. That the implementation of the new budget reduction, income generation and efficiency proposals totalling £4.0 million, subject to consultation where necessary (as set out at paragraph 15.3 of this report) be approved.
3. That it be approved that work towards the development of budget efficiencies, budget reduction and income generation proposals towards the target of £500,000 (as set out at paragraph 15.6 of this report) commence immediately and progress will be reported back to Councillors in July 2019.
4. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the calculation and allocation of growth in the central share of business rates for 2019-2020 and future years to be passported to the West Midlands Combined Authority (as set out at paragraph 9.6 of this report).
5. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to respond to the consultation on the Business Rates Retention Scheme and the Review of Relative Needs and Resources, and any future related consultation papers.
6. That approval be delegated to the Cabinet Member for Education and Cabinet Member for Resources, in consultation with Director of Finance and Director of Education, to approve changes to the local funding formula for Schools including method, principles and rules adopted (as set out at paragraph 17.4 of this report).
7. That it be noted that the budget for 2019-2020 is in balance without the use of general reserves (as set out at paragraph 18.1 of this report).

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	<p>8. That it be noted that, in the opinion of the Director of Finance (Section 151 Officer), the 2019-2020 budget estimates are robust (as set out at paragraph 18.1 of this report).</p> <p>9. That it be noted that, in the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year (as set out at paragraph 19.6 of this report).</p> <p>10. That it be noted that a further £27.3 million needs to be identified for 2020-2021 and £40-50 million over the medium term in order to address the projected budget deficit (as set out at paragraph 18.5 of this report).</p> <p>11. That it be noted that, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council (as set out at paragraph 4.3 of this report).</p> <p>12. That it be noted that, a number of assumptions have been made with regards to the level of resources that will be available to the Council. It is important to note that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities over the forthcoming Comprehensive Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term (as set out at paragraph 18.7 of this report).</p> <p>13. That it be noted that, having identified significant budget reductions over the last eight financial years, the extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced (as set out at paragraph 18.9 of this report).</p> <p>14. That it be noted that the overall level of risk associated with the 2019-2020 Budget and Medium Term Financial Strategy 2019-2020 to 2023-2024 is assessed as Red (as set out at paragraph 20.1 of this report).</p>
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	15. That it be noted that Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions (as set out at paragraph 25.2 of this report).
Options Considered	In determining the proposed Five Year Financial Strategy, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would need to be identified in order for the Council to set a balanced budget for 2019-2020.
Reasons for Decision	Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides.
Record of Conflicts of Interest	None
Dispensation Granted	N/A
Decision available for implementation (subject to call-in)	N/A

Title	Wolverhampton Joint Health and Wellbeing Strategy 2018-2023
Status	Recommendations Approved
Record of Decision	That the final version of the Wolverhampton Joint Health and Wellbeing Strategy 2018-2023 be approved.
Options Considered	Consultation has provided reassurance that the priorities included within the new Joint Health and Wellbeing strategy reflect the things people felt were important to improving health and wellbeing across the City.

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Reasons for Decision	Decision to approve will enable Health and Wellbeing Together board to fulfil its statutory duty to produce a Joint Health and Wellbeing Strategy.
Record of Conflicts of Interest	None
Dispensation Granted	N/A
Decision available for implementation (subject to call-in)	27 February 2019

Title	School Admission Arrangements 2020-2021
Status	Recommendations Approved
Record of Decision	<p>1. That the Co-ordinated Admission Schemes for secondary and primary school admissions at the normal year of entry for 2020-2021 be approved and that the Secretary of State be notified by 28 February 2019.</p> <p>2. That the proposed admission arrangements for community and voluntary controlled schools for 2020-2021 be approved.</p>
Options Considered	<p>One alternative option may have been to propose changes to the admissions arrangements. However, a full consultation was conducted in 2015, and the current arrangements are compliant with the School Admissions Code 2014.</p>
Reasons for Decision	<p>As prescribed by The School Admissions Code 2014, Admission authorities must set admission arrangements annually. If there are no changes to admission arrangements, they must be consulted on at least once every seven years. A full consultation was conducted in 2015.</p> <p>There are no proposed changes to the admission arrangements and they comply with the mandatory provisions of the School Admissions Code 2014.</p>

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Record of Conflicts of Interest	None
Dispensation Granted	N/A
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Title	Green Park School - Significant Change Proposal
Status	Recommendations Approved
Record of Decision	<p>1. That the commencement of a period of Pre-publication Consultation on the proposed permanent expansion of Green Park School be approved.</p> <p>2. That authority be delegated to the Cabinet Member for Education and Skills, in consultation with the Director of Education, to consider the outcome of Pre-publication Consultation and determine whether to proceed to Representation.</p>
Options Considered	<p>Alternative options exist including;</p> <ul style="list-style-type: none"> • Option one: Not uplifting the capacity of the City’s specialist estate to cater for anticipated demand. This is likely to result in both additional pressure on local settings and an increase in placements in out of city and independent settings (these placements are often more expensive than local placements and can result in pupils needing to travel long distances). • Option two: Considering the introduction of additional capacity in an alternative local specialist setting. There is a risk that this would result in additional pressure on local settings as opportunities for the timely expansion of appropriate settings are limited. • Option three: Consider the development of solutions within mainstream provision. This approach would align to the aforementioned policy to develop opportunities for students with SEND to attend mainstream provision. An initial appraisal of this option suggests that it is unlikely to be cost effective nor practical to support the needs of pupils with Severe Learning Difficulties (SLD) and Profound and Multiple Learning Difficulties (PMLD) within mainstream provision, at this point.

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	<p>The proposed change aligns to the Council’s strategic aspirations to:</p> <ul style="list-style-type: none"> • “Ensure Wolverhampton’s school estate is fit for purpose and meets the full range of more complex needs of children and young people with special educational needs and disabilities now being placed.” • “Develop local provision in order to reduce the number of children needing residential and out of area education, health and care services.” (City of Wolverhampton Council 2016).
Reasons for Decision	The proposal would support the Council to develop high quality educational provision for pupils with Special Educational Needs and Disabilities and ensure that community needs can be met effectively.
Record of Conflicts of Interest	None
Dispensation Granted	N/A
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Title	Exclusion of press and public
Status	Recommendations Approved
Record of Decision	That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).
Options Considered	N/A

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Reasons for Decision	N/A
Record of Conflicts of Interest	N/A
Dispensation Granted	N/A
Decision available for implementation (subject to call-in)	N/A

Title	Westside Delivery Strategy Update
Status	Recommendations Approved
Record of Decision	<ol style="list-style-type: none"> 1. That it be approved that the Council enter into a such an agreement as is necessary to close off the current Development Agreement to facilitate a new financing model allowing commencement of the scheme with Urban&Civic. 2. That the principle of the Council entering into an income strip head lease as detailed in sections 5, 6 and 9 of this report be approved and which will include: <ol style="list-style-type: none"> i. Entering an agreement for lease and sublease back to the Council for a term to be determined with respect to the Westside development. ii. Entering into a Rent Guarantee Agreement. iii. Entering into any ancillary agreements necessary to facilitate the agreements referred to above. 3. That authority be delegated to the Cabinet Members for Finance and City Economy in consultation with the Director of Finance and Director of Regeneration to approve the detail of the deal structure, the agreements referred to above and any supplementary budgets required in the best interests of the Council and subject to the criteria set out in paragraph 9.4 being

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	<p>met.</p> <p>4. That it be noted that the detail of the deal structure, the outcome of the agreements referred to above and any supplementary budgets will be reported to Cabinet.</p> <p>5. That the changes to the format and content of the Westside scheme as detailed in the report be noted.</p> <p>6. That the benefits statement including the number of jobs created and the increased business rates generated by the scheme be noted.</p> <p>7. That it be noted that, as the finances of the deal cannot be set until full designs and costs are established and the funding market will only provide a quote within six months of a scheme drawing down funding, this report establishes principles to safeguard the Council's commitment to invest should the cost of borrowing increase or the cost of delivering the scheme inflates.</p>
Options Considered	As outlined in the exempt report.
Reasons for Decision	As outlined in the exempt report.
Record of Conflicts of Interest	None
Dispensation Granted	N/A
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Title	Walsall to Wolverhampton Growth Corridor
Status	Recommendations Approved
Record of Decision	<ol style="list-style-type: none"> 1. That the involvement of the City of Wolverhampton Council in the proposed West Midlands Combined Authority ‘Housing and Land Fund’ programme, as set out in this report, be endorsed. 2. That the proposed Walsall to Wolverhampton Growth Corridor Governance arrangements, set out in the report at Appendix 2, up to 31 March 2021 be approved. 3. That the principle that the City of Wolverhampton Council will Chair the proposed Walsall to Wolverhampton Growth Corridor Partnership Board until 31 March 2020 be approved. 4. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Service Director of Housing and the Director of Finance, for agreement to submit bids to the West Midlands Combined Authority and to enter into any legal and/or financial agreements supporting this grant funding and investment arrangement. 5. That the allocation as set out in section 11 of this report from the Development Reserve to provide programme support resources for the City of Wolverhampton until 31 March 2021, be approved to enable and secure the inward grant investment and deliver new housing developments and growth for the City. 6. That the use of procurement arrangements of the West Midlands Combined Authority and/or Homes England be authorised for pre-development commissions, where these have been reviewed to ensure they comply with the necessary regulations, noting that individual development schemes will be further reported for approvals. 7. That the proposed Walsall to Wolverhampton Growth Corridor Communications Protocol, be approved as set out at Appendix 5 to this report. 8. That it be agreed to receive a further report in the financial year 2019-2020 setting out more details of the Phase 1 Development proposals and any longer-term funding requirements when

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	<p>further information about the WMCA Housing and Land Fund administration is available.</p> <p>9. That it be noted that the progress since June 2018, to develop the Growth Corridor investment concept, development proposals and governance arrangements with Walsall Metropolitan Borough Council, the West Midlands Combined Authority, Homes England and delivery partners.</p>
Options Considered	As outlined in the exempt report.
Reasons for Decision	As outlined in the exempt report.
Record of Conflicts of Interest	None
Dispensation Granted	N/A
Decision available for implementation (subject to call-in)	27 February 2019

Title	Secondary School Expansion Programme 2019-2020 Update and Future Primary and Secondary Provision
Status	Recommendations Approved
Record of Decision	<ol style="list-style-type: none"> 1. That the increase in Year 7 pupil places at Colton Hills Community School from 161 to 210 for September 2019 and September 2020 be approved, as the City of Wolverhampton Council are the admitting authority. 2. That the increase in Year 7 pupil places at St Matthias School from 161 to 190 for September 2019 and September 2020 be approved, as the City of Wolverhampton Council are the admitting authority.

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	<p>3. That authority be delegated to the Cabinet Member for Education and Skills, in consultation with the Strategic Director of People, the Director of Education and the Director of Finance, to approve the allocation of the Expansion Programme budgets to individual capital projects in order that they may be progressed in a timely manner.</p> <p>4. That the proposal to provide capital funding to the West Midlands University Technical College be approved, to enable the age range to be lowered and provision of additional school places from September 2020.</p> <p>5. That the current status of the Secondary School Expansion Programme 2019-2020 that involves both temporary and permanent solutions to meet short and medium-term demand be noted. This approach has been taken to ensure that an oversupply of school places is not created. Future demand may be influenced as a consequence of the United Kingdom leaving the European Union, and through the establishment of free schools within the City.</p> <p>6. That it be noted that there has been interest in Wave 13 of the Free School Programme to establish a new all-through school in Wolverhampton.</p> <p>7. That the updated position in regard to proposed Primary Free School provision in the City be noted.</p>
Options Considered	As outlined in the exempt report.
Reasons for Decision	As outlined in the exempt report.
Record of Conflicts of Interest	<p>Councillor Val Gibson declared a non-pecuniary interest as a governor of South Wolverhampton and Bilston Academy.</p> <p>Councillor Louise Miles declared a non-pecuniary interest as an employee of the University of Wolverhampton.</p>
Dispensation Granted	N/A

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Decision available for implementation (subject to call-in)	27 February 2019
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