



# Cabinet (Resources) Panel

26 November 2013

**Time** 5.00pm      **Public meeting?** YES      **Type of meeting** Executive

**Venue** Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

**Room** Committee Room 4 (3<sup>rd</sup> floor)

*A pre-meeting for members of the Panel will  
be held in meeting room 4 at 4.30pm.*

## Membership

**Chair** Cllr Andrew Johnson (Lab)

### Labour

Cllr Peter Bilson  
Cllr Steve Evans  
Cllr Roger Lawrence  
Cllr Phil Page  
Cllr John Reynolds  
Cllr Paul Sweet

### Conservative

### Liberal Democrat

Quorum for this meeting is two Councillors.

## Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

**Contact** Liz Kiely

**Tel** 01902 555045

**Email** [liz.kiely@wolverhampton.gov.uk](mailto:liz.kiely@wolverhampton.gov.uk)

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Wolverhampton WV1 1RL

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

# Agenda

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

*Item No. Title*

### MEETING BUSINESS ITEMS

1. **Apologies for absence**
2. **Declarations of interest**
3. **Minutes of the previous meeting (5 November 2013)**  
[For approval]
4. **Matters arising**  
[To consider any matters arising from the minutes]

### DECISION ITEM (Red – delegated to Council)

5. **Housing Revenue Account Business Plan Update Quarter Two 2013/14**  
[To agree the Housing Revenue Account Business Plan for 2013/2014]
6. **Quarter 2 Capital Budget Monitoring**  
[To agree matters relating to the 2013/2014 capital budget as at the end of the second quarter]
7. **Quarter 2 Treasury Management Activity Monitoring**  
[ To agree matters relating to the 2013/2014 Treasury Management Activity for 2013/2014]

### DECISION ITEMS (Amber – delegated to the Cabinet (Resources ) Panel)

8. **Empty Property Strategy – Compulsory Purchase 8 Mandale Road Fallings Park, Wolverhampton**  
[To agree to the compulsory purchase of 8 Mandale Road, Wolverhampton]
9. **External Funding Update- Regional Growth Fund and European Regional Growth Fund**  
[To agree the Collaboration Agreement to enable the development of the Growing Priority Sector]

10. **Funding Transfer from NHS England to Social Care 2013/14**  
[To agree to enter into an agreement with the relevant Body that they will provide monies to the Council which will be ring fenced for the provision of adult social care]

#### INFORMATION ITEMS

- 11 **Schedule of Green Decisions**  
[To note the schedule of open and exempt decisions approved by the Cabinet Members following consultation with the relevant officers]

#### EXCLUSION OF PRESS AND PUBLIC

12. **Exclusion of press and public**  
[To pass the following resolution:

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

## Part 2 – exempt items, closed to the press and public

<i>Item No.</i>	<i>Title</i>	<i>Grounds for exemption</i>	<i>Applicable paragraph</i>
13	<b>Corporate Procurement Award of Contracts for Works, Goods and Services</b> [To agree the acceptance of the award and extension of Council contracts as required by the Council's Contract Procedure Rules]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3
14	<b>Rating and Revenue Matters</b> [To agree the applications for discretionary rate relief]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3
15	<b>Community Hubs Programme</b> [To agree the contracts awarded as part of the Community Hubs programme]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3

#### INFORMATION ITEMS

- 16 **Changes to Employee Establishment**  
[To note the schedule of changes approved by Cabinet Members and Directors]
- Information relating to any individuals 1



# Cabinet (Resources) Panel Meeting

Minutes – 5 November 2013

## Attendance

### Members of the Cabinet (Resources) Panel

Cllr Andrew Johnson (chair)  
Cllr Peter Bilson  
Cllr Steve Evans  
Cllr Roger Lawrence  
Cllr Phillip Page  
Cllr John Reynolds  
Cllr Paul Sweet

### Staff

Keith Ireland	Strategic Director – Delivery
Tim Johnson	Strategic Director Education and Enterprise
Alistair Merrick	Assistant Director for Central Services
Mark Taylor	Assistant Director Finance
Sue Davies	Chief Human Resources Officer
Peter Oakeshott	Head of Procurement
Helen Price	HR Specialist Strategy and Policy
Liz Kiely	Democratic Services Officer

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

*Item No.*    *Title*

### MEETING BUSINESS ITEMS

75.            **Declarations of interests**  
None submitted

76. **Minutes of the Previous Meeting (15 October 2013)**

Resolved:

That the minutes of the meetings held on 15 October 2013 be approved as a correct record and signed by the Chair.

77. **Matters arising**

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

**DECISION ITEMS (Amber – delegated to the Cabinet)**

78. **Employee Volunteering Scheme**

Resolved:

That the Employee Volunteering Scheme be incorporated into the Council's suite of Human Resources Policies and implemented accordingly.

79. **Procurement of a Preferred Partner List of Registered Providers and Development Partners**

Resolved;

1. That a formal procurement process be approved through the Official Journal of the European Union to appoint a number of partners to a Development and Partnering Framework to work with the council to deliver housing projects
2. That the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and Enterprise be authorised to approve the process and framework criteria to be used for the procurement of a Framework Panel of Preferred Partners
3. That following the evaluation of tenders' stage, a further report be presented to the Panel to approve appointments to the Framework Panel

**INFORMATION ITEMS**

80. **Outcome of Called In Items**

Resolved:

That the decision of the Scrutiny Board on the Called In Item be noted

## EXCLUSION OF PRESS AND PUBLIC

### 81. Exclusion of Press and Public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business as they involve the likely disclosure of exempt information falling within the paragraphs of Schedule 12A of the Act set out below:

<i>Item No.</i>	<i>Title</i>	<i>Applicable paragraph</i>
10	Corporate procurement - award of contracts for works, goods and services	3
11	Reorientation of the Council's Printing Operations	3
12	Rating and Revenue	3
14	Exempt Staffing Issues	3

## Part 2 – exempt items, closed to the press and public

### 82. Corporate Procurement – Award of Contracts for Works, Goods and Services

Resolved:

1. That a contract be awarded for Supervised Contact in WCC Premises for a term of up to four years commencing at an expected annual contract value of £72,000
2. That the award of a contract for Long Term Reablement Support for People with Mental Ill Health be deferred
3. That the existing agreement with Northgate of Hemel Hempstead be varied to include provision of the eCAPTURE service at an annual cost of £71,000
4. That the Cabinet Member for Resources in consultation with the Strategic Director Delivery be authorised to utilise the Pro5 Framework Agreement to award a contract for the provision of advisors to act as shadow design team and construction workstream leads for the FutureSpace project

5. That the awarding of Contracts under the Community Hubs programme with the exception of the Parkfields Contract which has not been awarded be noted
6. That it be noted that for each of the procurement and items within this report the appropriate Cabinet Member and Director/Assistant Director have been consulted and are supportive of the recommendations
7. That the contracts for the bailiff's charges be awarded to Bristow and Sutor of Redditch for Lot 1 and Rundle and Co Ltd of Leicestershire for Lot 2.

83. **Reorientation of the Council's Printing Operations**

Resolved:

1. That the two phase reorientation of the printing operation and the potential creation of a scanning function be approved
2. That external consultants be retained in order to implement the proposals

84. **Rating and Revenue Matters**

Resolved:

That the recommendations for discretionary rate relief applications be approved

85. **Exempt Staffing Issues**

Resolved:

That the staffing establishment changes as detailed in the report be noted



# Cabinet (Resources) Panel

## 26 November 2013

<b>Report Title</b>	Housing Revenue Account Business Plan Update Quarter Two 2013/14	
<b>Decision designation</b>	Red	
<b>Cabinet Member with Lead Responsibility</b>	Councillor Peter Bilson Economic Regeneration and Prosperity	
<b>Key Decision</b>	Yes	
<b>In Forward Plan</b>	Yes	
<b>Wards Affected</b>	All	
<b>Accountable Director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Education and Enterprise, Housing	
<b>Accountable officer(s)</b>	Mark Taylor	Assistant Director Finance
	Tel	01902 55(6609)
	Email	mark.taylor@wolverhampton.gov.uk
	Nick Edwards	Assistant Director Regeneration
	Tel	01902 55(4310)
	Email	nick.edwards@wolverhampton.gov.uk

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### **RECOMMENDATIONS**

#### **Recommendation(s) for action or decision:**

Cabinet (Resources) Panel is recommended to:

- (i) Recommend that council adopt the updated business plan set out at appendix A as the approved Housing Revenue Account (HRA) business plan, including the capital programme for 2013/14 to 2017/18 set out in the plan.
- (ii) Approve the actions to address the shortfall in the HRA business plan, namely:
  - a. Subject to consultation with tenants, to implement above-inflationary rent increases, noting that this would mean a rent increase of c.6.25% in April 2014, and 3.5-4% in subsequent years



- b. to put in place an indicative freeze in managing agents' allowances for the next five years;
- c. to review capital expenditure plans, and to resist any further increases in capital expenditure except where that expenditure results in a net contribution to the plan and is affordable in the short-term (for example, new-build housing projects).

**Recommendations for noting:**

Cabinet (Resources) Panel is asked to note:

- (iii) The forecast outturn against the 2013/14 revenue budget is a surplus before allocations of £10.5 million compared to a budgeted surplus of £11.4 million.

## 1 Purpose

- 1.1 This report presents an updated Housing Revenue Account (HRA) Business Plan for approval by full council, which has been revised to reflect information received and changes in assumptions since the last update (25 June 2013).
- 1.2 The report provides, as an integral part of that business plan, an updated recommended HRA capital programme for the period 2013/14 to 2017/18, for recommendation to full council.
- 1.3 The report also provides an update on the forecast position against revenue budgets for 2013/14.

## 2 Executive summary

- 2.1 In performing the quarter two update of assumptions and estimates within the HRA business plan, a forecast shortfall in the 30-year business plan of £248.7 million has been identified. The following table outlines the reasons for this forecast shortfall, whilst further detail is provided at Appendix A1.

	<b>Forecast £000</b>
<b>Headroom at end of year 30 as per Q1 report</b>	44,585
<b>Less:</b>	
Reduction in forecast rents receivable	(66,385)
Increase in forecast management and maintenance expenditure	(4,224)
Increase in net financing costs	(169,692)
<b>Add:</b>	
Forecast increase in required capital expenditure	(52,977)
<b>Resulting shortfall at end of year 30</b>	<b>(248,693)</b>

- 2.2 There are three primary causes of this shortfall, due to events that have occurred since quarter one, as set out in the following paragraphs. These events have been driven by government policy changes, and are not exclusive to Wolverhampton. According to the Local Government Chronicle 19 September 2013, of the 171 self-financing authorities 146 have been adversely affected by these changes, with all 171 being affected adversely by Welfare Reform.
- 2.3 On 26 June 2013, the government announced that rent convergence would end with effect from 2015/16. Prior to this announcement, the business plan assumed a relatively substantial rent increase in 2015/16; this increase, along with the contribution that it would have made to increases in subsequent years by way of an increased income base, can no longer be assumed. This has reduced forecast rents receivable by £13.3 million.
- 2.4 There has been a significant increase in the forecast number of Right to Buy sales, driven by an increase in the level of discount available to tenants. This increase was introduced by the government on 2 April 2012 as part of its reinvigorated right to buy policy, and the effects of that are now being observed in an increasing number of sales.

This has resulted in a decrease in forecast rents receivable of £53.1 million over the next 30 years.

- 2.5 As part of their most recent review of the building cost model, and the assumptions contained within it, Wolverhampton Homes have identified an increased capital expenditure requirement of £53.0 million over the 30-year life of the plan. Whilst a significant figure on the face of it, it should be remembered that this £53.0 million is stated over 30 years, for which period total capital expenditure is £1.8 billion. It should also be noted that the Building Cost Model, whilst based on detailed modeling, is nonetheless a best estimate at a point in time, and may change significantly over the life of the plan.
- 2.6 It is proposed that in order to address this forecast shortfall, a number of actions are taken to bring the plan back into balance, as follows:
- a) to implement above-inflationary rent increases, noting that this would mean a rent increase of c.6.25% in April 2014, and 3.5-4% in subsequent years (and that these are subject to consultation with tenants in due course);
  - b) to put in place an indicative freeze in managing agents' allowances for the next five years noting that this is based on the current forecasts, and should the forecasts change significantly a further review will take place;
  - c) to review capital expenditure plans, and to resist any further increases to capital expenditure except where that expenditure results in a net contribution to the plan and is affordable in the short-term (for example, new-build housing projects).
- 2.7 Assuming that the actions outlined above are delivered successfully, in full, the HRA would then be forecast to have sufficient resources to:
- I. fund the £1.9 billion of capital works that will be required to its houses over the next 30 years to maintain the decent homes standard, as well as meeting its management and maintenance obligations over the same period.
  - II. invest in additional affordable housing stock through new build programmes, mortgage rescue schemes and the bringing back into use of empty properties.
- 2.8 It is also anticipated that, as a result of the overall headroom over the course of the next 30 years, in future iterations of the business plan the HRA will be able to lever in additional monies from bodies like the HCA to fund the building of new affordable rent houses. Further details of the updated business plan can be found at Appendices A2-A6 (again, these appendices assume the successful delivery of the actions outlined in paragraph 2.6)
- 2.9 Appendix A3 presents the forecast debt curve alongside forecast capital expenditure graphically. Where the debt curve rises steeply, for example in 2032/2033, this reflects a step up in capital expenditure for the year compared to the previous year, reflecting a number of components coming to the end of their intended lives and needing to be replaced.
- 2.10 Detailed capital budgets are provided at Appendix A6. The significant changes to capital budgets since the most recent update to Cabinet (June 2013) are the inclusion of a number of new schemes, the largest of which are works at Ellerton Walk (£9.9 million), external works at Heath Town (£3.9 million), insulation installation at Stowlawn High Rise (£3.8 million) and structural repairs to roofs (£2.6 million).

- 2.11 It should be noted that these capital budgets continue to fund the requirements to bring the existing stock to Decent Homes standard and maintain it thereafter, and (with the exception of the funds for new council housing) do not include anything for major developments such as estate re-modelling. Provision for such schemes will be made once the outcome of master planning is known, and subject to the availability of funding within the business plan.
- 2.12 The forecast revenue outturn for 2013/14 is a surplus before allocations of £10.5 million, compared to a budgeted surplus of £11.4 million. There are a number of causes of this adverse forecast which are discussed in the forecast revenue outturn provided at Appendix B1.
- 2.13 Appendix C provides a detailed analysis of the risks associated with the HRA Budget and Capital Programme, along with details of the risk control measures that are in place in order to manage and mitigate the risks as far as possible. The overall risk associated with the budget continues to be quantified as Amber.

### **3 Financial implications**

- 3.1 The financial implications are discussed in the body of the report.

[CF/29102013/V]

### **4 Legal implications**

- 4.1 Part VI of the Local Government and Housing Act 1989 (as amended by the Leasehold Reform Housing and Urban Development Act 1993, the Housing Act 1996 and the Local Government Act 2003) set up the financial regime for local authority housing.
- 4.2 The system requires the ring-fencing of the HRA and introduced a government subsidy scheme and controls on local authority borrowing to meet capital expenditure.
- 4.3 This report embodies those requirements.

[JH/22102013/F]

### **5 Equality implications**

- 5.1 In making decisions on the options set out in the report, the council should be aware of the impact on the public, particularly tenants. There is a difficult balance to be struck in deciding the levels at which to increase income, and thereby seeking to protect services.
- 5.2 The council has always operated a very open and consultative approach to service and rent reviews. This is based upon a thirty-year forecast which sets out indicative levels of future average rent rises and forecast changes to expenditure levels. Consultation with tenants will be carried out on the council's behalf by Wolverhampton Homes. It should also be noted that the Government's limits on individual rent increases (of RPI + ½% + £2 per week) protect tenants from excessive increases.

## 6 Environmental implications

- 6.1 The appropriate maintenance of the housing stock makes an on-going contribution to local environmental standards

## 7 Background papers

- HRA Manual (DCLG)
- Guide to Social Rent Reforms in the Local Authority Sector (DCLG)
- Housing Revenue Account Business Plan (Including 2013/2014 Budget, Rents and Service Charges), Report to Cabinet, 23 January 2013
- Housing Revenue Account Business Plan Update Quarter One 2013/14, Report to Cabinet (Resources) Panel, 25 June 2013

## 8 Schedule of appendices

App	Title	Page
<b>A</b>	<b>Housing Revenue Account business plan</b>	
A1	Analysis of reduction in resources	5
A2	30-year business plan	6
A3	Forecast capital expenditure and debt curve	8
A4	Medium term business plan	9
A5	Management and maintenance medium term forecasts	11
A6	Capital programme	12
<b>B</b>	<b>Revenue Budgets</b>	
B1	Forecast Revenue Outturn 2013/14	15
<b>C</b>	<b>Risk analysis</b>	17

## ANALYSIS OF REDUCTION IN RESOURCES

1. The table below analyses the reasons for the shortfall arising in the 30 year business plan since the quarter one report:

	<b>Forecast £000</b>
<b>Headroom at end of year 30 as per Q1 report</b>	44,585
<b>Less:</b>	
Reduction in forecast rents receivable	(66,385)
Increase in forecast management and maintenance expenditure	(4,224)
Increase in net financing costs	(169,692)
<b>Add:</b>	
Forecast increase in required capital expenditure	(52,977)
<b>Resulting shortfall at end of year 30</b>	<b>(248,693)</b>

2. The reduction in the forecast rents receivable is due to a combination of two factors. Firstly, the ending of the policy of rent convergence from 2015/16, a year earlier than had been planned and the subsequent reduction in rental income that had previously been assumed in the model for quarter one. Secondly, there has been a significant increase in the forecast number of house sales, further reducing forecast rental income.
3. The increase in capital expenditure is due to the inclusion of additional capital schemes, the main of which are detailed in the executive summary.
4. These reductions in income and increase in expenditure in turn lead to a decrease in resources available for the redemption of debt, which leads to an increase in net financing costs, which in itself is the single biggest cause of the reduction in resources forecast in the quarter 1 report.

## 30-YEAR HRA BUSINESS PLAN (2013/14 TO 2042/43)

REVENUE ACCOUNT	Years	Years	Years	Years	Years	Years
	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30
	£000	£000	£000	£000	£000	£000
<b>Income</b>						
Dwelling Rents	(467,510)	(529,377)	(599,455)	(677,258)	(763,065)	(857,304)
Other Rents	(8,257)	(9,037)	(9,943)	(11,019)	(12,296)	(13,812)
Service Charges	(31,150)	(33,645)	(34,493)	(35,546)	(36,836)	(38,399)
	<b>(506,917)</b>	<b>(572,059)</b>	<b>(643,891)</b>	<b>(723,823)</b>	<b>(812,197)</b>	<b>(909,515)</b>
<b>Expenditure</b>						
Management and Maintenance (net of retained surpluses)	237,893	258,828	300,088	348,020	403,649	468,232
Depreciation and Provision for Redemption of Debt	186,413	237,781	281,473	334,886	360,358	379,961
Net Financing Costs	82,611	75,450	62,330	40,917	48,190	61,322
	<b>506,917</b>	<b>572,059</b>	<b>643,891</b>	<b>723,823</b>	<b>812,197</b>	<b>909,515</b>
<b>Balance</b>	-	-	-	-	-	-

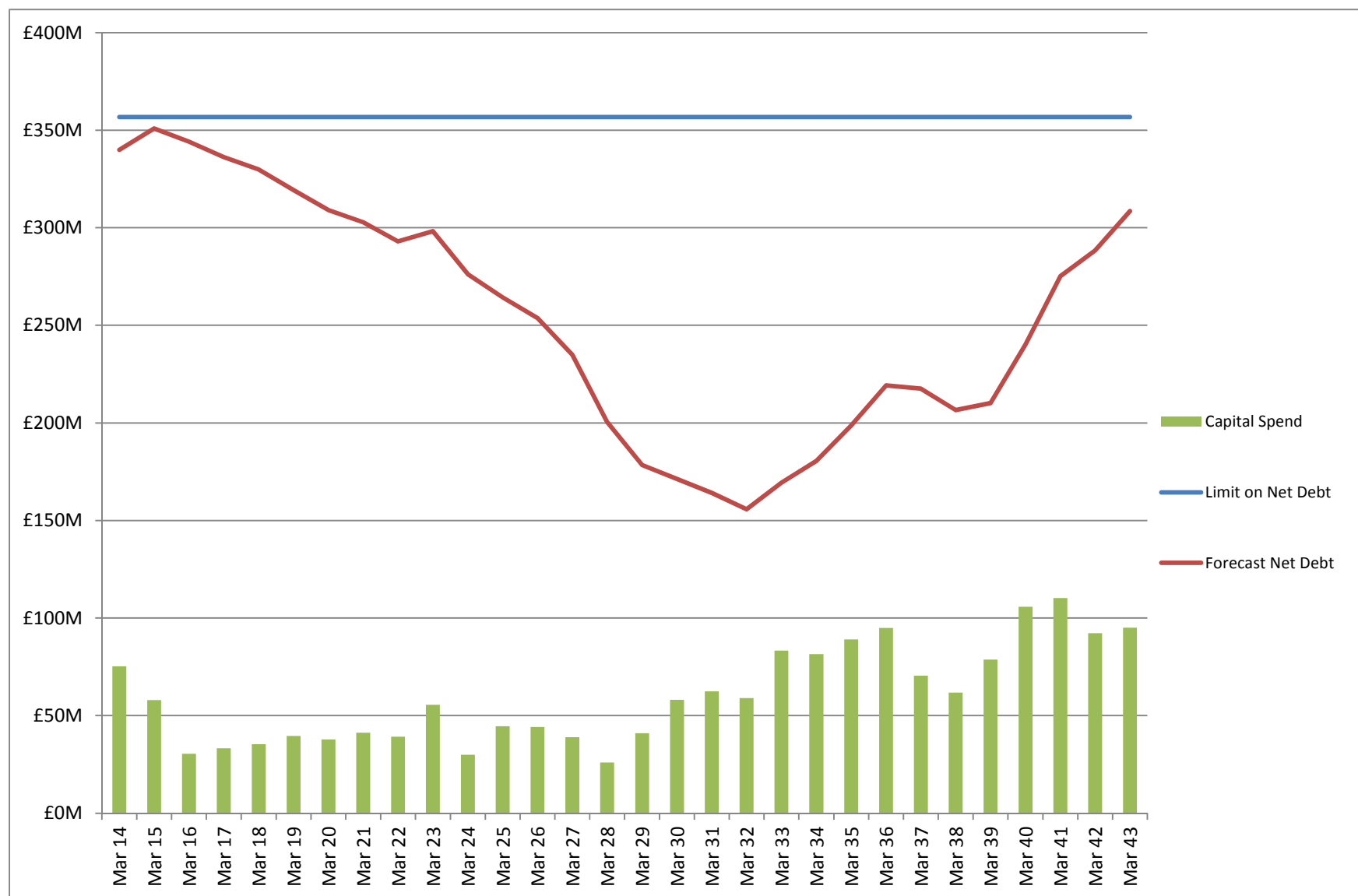
CAPITAL ACCOUNT	Years	Years	Years	Years	Years	Years
	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30
	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>						
Capital Expenditure	232,321	213,243	183,675	303,777	397,645	481,917
	<b>232,321</b>	<b>213,243</b>	<b>183,675</b>	<b>303,777</b>	<b>397,645</b>	<b>481,917</b>
<b>Financing</b>						
Decent Homes Funding	(22,718)	-	-	-	-	-
Major Repairs	(110,850)	(114,603)	(106,123)	(104,556)	(102,910)	(101,178)
Grants, Contributions and Receipts	(6,880)	-	-	-	-	-
Borrowing	(91,873)	(98,640)	(77,552)	(199,221)	(294,735)	(380,739)
	<b>(232,321)</b>	<b>(213,243)</b>	<b>(183,675)</b>	<b>(303,777)</b>	<b>(397,645)</b>	<b>(481,917)</b>
<b>Balance</b>	-	-	-	-	-	-

## 30-YEAR HRA BUSINESS PLAN (2013/14 TO 2042/43)

CAPITAL FINANCING REQUIREMENT	Years	Years	Years	Years	Years	Years
	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30
	£000	£000	£000	£000	£000	£000
Capital Expenditure Financed by Borrowing	91,873	98,640	77,552	199,221	294,735	380,739
Provision for Redemption of Debt	(77,390)	(130,166)	(175,350)	(230,330)	(257,448)	(278,783)
Net Movement in Capital Financing Requirement	<b>14,483</b>	<b>(31,526)</b>	<b>(97,798)</b>	<b>(31,109)</b>	<b>37,287</b>	<b>101,956</b>
Closing Capital Financing Requirement	<b>329,777</b>	<b>298,251</b>	<b>200,453</b>	<b>169,344</b>	<b>206,631</b>	<b>308,587</b>
Borrowing Cap	356,770	356,770	356,770	356,770	356,770	356,770
<b>Borrowing Headroom</b>	<b>26,993</b>	<b>58,519</b>	<b>156,317</b>	<b>187,426</b>	<b>150,139</b>	<b>48,183</b>



FORECAST CAPITAL EXPENDITURE AND DEBT CURVE (2013/2014 TO 2042/2043)



## MEDIUM TERM BUSINESS PLAN

REVENUE ACCOUNT	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
<b>Income</b>					
Dwelling Rents	(88,985)	(91,431)	(93,541)	(95,686)	(97,867)
Other Rents	(1,581)	(1,627)	(1,654)	(1,683)	(1,712)
Service Charges	(5,002)	(6,422)	(6,524)	(6,580)	(6,622)
	<b>(95,568)</b>	<b>(99,480)</b>	<b>(101,719)</b>	<b>(103,949)</b>	<b>(106,201)</b>
<b>Expenditure</b>					
Management and Maintenance (net of retained surpluses)	47,007	47,418	47,618	47,821	48,029
Depreciation and Provision for Redemption of Debt	32,436	35,158	37,272	39,656	41,891
Net Financing Costs	16,125	16,904	16,829	16,472	16,281
	<b>95,568</b>	<b>99,480</b>	<b>101,719</b>	<b>103,949</b>	<b>106,201</b>
<b>Balance</b>	-	-	-	-	-

CAPITAL ACCOUNT	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
<b>Expenditure</b>					
Capital Expenditure	75,255	57,928	30,477	33,228	35,433
	<b>75,255</b>	<b>57,928</b>	<b>30,477</b>	<b>33,228</b>	<b>35,433</b>
<b>Financing</b>					
Decent Homes Funding	(11,962)	(10,756)	-	-	-
Major Repairs	(25,857)	(21,861)	(20,575)	(21,994)	(20,563)
Grants, Contributions and Receipts	(2,272)	(1,121)	(1,173)	(1,154)	(1,160)
Borrowing	(35,164)	(24,190)	(8,729)	(10,080)	(13,710)
	<b>(75,255)</b>	<b>(57,928)</b>	<b>(30,477)</b>	<b>(33,228)</b>	<b>(35,433)</b>
<b>Balance</b>	-	-	-	-	-

## MEDIUM TERM BUSINESS PLAN

CAPITAL FINANCING REQUIREMENT	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
<b>Opening Capital Financing Requirement</b>	<b>315,294</b>	<b>339,930</b>	<b>350,823</b>	<b>344,087</b>	<b>336,263</b>
Capital Expenditure Financed by Borrowing	35,164	24,190	8,729	10,080	13,710
Provision for Redemption of Debt	(10,528)	(13,297)	(15,465)	(17,904)	(20,196)
Net Movement in Capital Financing Requirement	<b>24,636</b>	<b>10,893</b>	<b>(6,736)</b>	<b>(7,824)</b>	<b>(6,486)</b>
Closing Capital Financing Requirement	<b>339,930</b>	<b>350,823</b>	<b>344,087</b>	<b>336,263</b>	<b>329,777</b>
Borrowing Cap	356,770	356,770	356,770	356,770	356,770
<b>Borrowing Headroom</b>	<b>16,840</b>	<b>5,947</b>	<b>12,683</b>	<b>20,507</b>	<b>26,993</b>

## MANAGEMENT AND MAINTENANCE MEDIUM TERM FORECASTS

	2013/2014 Forecast £000	2014/2015 Forecast £000	2015/2016 Forecast £000	2016/2017 Forecast £000	2017/2018 Forecast £000
Wolverhampton Homes – Basic	37,920	37,920	37,920	37,920	37,920
Wolverhampton Homes - Fencing	123	121	121	121	121
Bushbury Hill EMB	1,261	1,261	1,261	1,261	1,261
New Park Village TMO	375	375	375	375	375
Springfield Horseshoe TMO	353	353	353	353	353
Dovecotes TMO	1,091	1,091	1,091	1,091	1,091
Housing Support	364	376	388	399	411
SLA Charges	1,677	1,677	1,726	1,777	1,830
Pension Contributions	2,284	2,284	2,353	2,424	2,497
Retained Repairs and Maintenance	(372)	(372)	(384)	(396)	(409)
Miscellaneous Items	82	82	85	87	88
<b>Total Management and Maintenance</b>	<b>45,158</b>	<b>45,168</b>	<b>45,289</b>	<b>45,412</b>	<b>45,538</b>

## CAPITAL PROGRAMME – OUTTURN 2012/13 AND FORECAST EXPENDITURE BY YEAR 2013/14 TO 2017/18

	OUTTURN	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	FORECAST
	£000	£000	£000	£000	£000	£000	£000
<b>Decent Homes Stock Condition</b>							
Scotlands Estate Phase 7	58	-	-	-	-	-	-
Scotlands Estate Phase 8	3	-	-	-	-	-	-
Bushbury Roof Replacement	2,284	87	-	-	-	-	87
New Park Village	386	-	-	-	-	-	-
All Saints Voids	616	619	-	-	-	-	619
Heating and Insulation Programme	(123)	-	-	-	-	-	-
Lincoln and Tremont	859	33	-	-	-	-	33
Sunset Place	22	58	-	-	-	-	58
Merridale Court	-	109	2,731	-	-	-	2,840
Graiseley Repairs	-	250	267	-	-	-	517
Refurbishment of Voids	-	4,905	4,191	4,050	3,814	3,597	20,557
Non Residential Conversion to Residential	292	74	1,282	-	-	-	1,356
External Improvement Programme	1,939	1,800	1,800	2,800	1,800	1,800	10,000
Boiler Replacement Programme	786	900	900	900	900	900	4,500
Capitalised insurance costs	12	-	-	-	-	-	-
Decent Homes Pilot	4	-	-	-	-	-	-
Decent Homes - Stock Improvements	29,041	34,752	27,125	7,853	9,212	10,933	89,875
Decent Homes - Capitalised Salaries	919	1,000	1,000	1,000	1,000	1,000	5,000
<b>Decent Homes Stock Condition</b>	<b>37,098</b>	<b>44,587</b>	<b>39,296</b>	<b>16,603</b>	<b>16,726</b>	<b>18,230</b>	<b>135,442</b>
<b>Decent Homes Public Realm</b>							
Communal Areas Improvement	-	239	655	2,395	3,034	3,022	9,345
Street-scaping	-	-	328	780	1,103	1,099	3,310
<b>Decent Homes Public Realm</b>	<b>-</b>	<b>239</b>	<b>983</b>	<b>3,175</b>	<b>4,137</b>	<b>4,121</b>	<b>12,655</b>
<b>Major Stock Condition Improvements</b>							

## CAPITAL PROGRAMME – OUTTURN 2012/13 AND FORECAST EXPENDITURE BY YEAR 2013/14 TO 2017/18

	OUTTURN	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	FORECAST
	£000	£000	£000	£000	£000	£000	£000
Low Hill Residential Repairs	276	10,750	8,840	-	-	-	19,590
<b>Major Stock Condition Improvements</b>	<b>276</b>	<b>10,750</b>	<b>8,840</b>	-	-	-	<b>19,590</b>
<b><u>Estate Remodelling</u></b>							
Blakenhall Gardens	196	122	-	-	-	-	122
East Park Tarran Bungalows	42	264	-	-	-	-	264
Heath Town	11	-	-	-	-	-	-
New Build programme	-	9,213	-	-	-	-	9,213
RTB Buy back	-	500	-	-	-	-	500
Commercial Conversions	-	370	-	-	-	-	370
<b>Sustainable Communities Estate Remodelling</b>	<b>249</b>	<b>10,649</b>	-	-	-	-	<b>10,649</b>
<b><u>Adaptations for People with Disabilities</u></b>							
<b>Disabled Adaptations</b>	<b>1,105</b>	<b>1,088</b>	<b>1,111</b>	<b>1,163</b>	<b>1,144</b>	<b>1,150</b>	<b>5,656</b>
<b><u>Other Stock Condition Improvements</u></b>							
Structural Works	898	864	874	891	883	879	4,391
Purchase of former RTB	3	997	-	-	-	-	997
Lift and DDA Improvements - High Rise	483	1,701	565	574	568	670	4,078
Fire Safety Improvements - High Rise	45	891	382	501	496	494	2,764
Roofing Refurbishment programme	-	1,888	3,521	4,328	5,661	5,980	21,288
Energy Efficiency Works	-	780	1,184	1,610	1,993	2,382	7,949
Door Entry Security Programme	589	428	378	382	379	378	1,945
Communal rewiring programme	-	109	111	116	114	115	565
<b>Other Stock Condition Improvements</b>	<b>2,018</b>	<b>7,658</b>	<b>7,015</b>	<b>8,402</b>	<b>10,094</b>	<b>10,808</b>	<b>43,977</b>
<b><u>Other Improvements to the Public</u></b>							

## CAPITAL PROGRAMME – OUTTURN 2012/13 AND FORECAST EXPENDITURE BY YEAR 2013/14 TO 2017/18

	OUTTURN	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	FORECAST
	£000	£000	£000	£000	£000	£000	£000
<b>Realm</b>							
Pathway Improvement and Safety Programme	207	54	273	724	717	714	2,482
<b>Other Improvements to the Public Realm</b>	<b>207</b>	<b>54</b>	<b>273</b>	<b>724</b>	<b>717</b>	<b>714</b>	<b>2,482</b>
<b>Service Enhancements and Miscellaneous</b>							
Information Technology Developments	(1)	-	-	-	-	-	-
WH Other technology requirements	5	-	-	-	-	-	-
WH document management costs	1	-	-	-	-	-	-
Digital TV Cabling etc	42	-	-	-	-	-	-
Sale of Council House Administration	15	10	10	10	10	10	50
Capitalised Salaries - W'ton Homes	400	400	400	400	400	400	2,000
Heath Town Biomass Contingency	9	-	-	-	-	-	-
<b>Service Enhancements &amp; Miscellaneous</b>	<b>471</b>	<b>410</b>	<b>410</b>	<b>410</b>	<b>410</b>	<b>410</b>	<b>2,050</b>
<b>GRAND TOTAL</b>	<b>41,424</b>	<b>75,255</b>	<b>57,928</b>	<b>30,477</b>	<b>33,228</b>	<b>35,433</b>	<b>232,321</b>

## FORECAST REVENUE OUTTURN 2013/14

1. The table below sets out the forecast outturn against revenue budgets as at quarter two of 2013/14.

**Forecast Revenue Outturn 2013/14 Compared to Budget**

	2013/14		
	Approved Budget £000	Forecast Outturn £000	Variance £000
<u>Income</u>			
Gross Rents - Dwellings	(88,973)	(88,985)	(12)
Gross Rents - Non Dwellings	(1,614)	(1,581)	33
Charges to Tenants for Services and Facilities	(5,124)	(5,002)	122
<b>Total Income</b>	<b>(95,711)</b>	<b>(95,568)</b>	<b>143</b>
<u>Expenditure</u>			
Repairs and Maintenance	26,184	26,184	-
Supervision and Management	18,794	18,974	180
Rents, Rates and Taxes	229	243	14
Increase in Provision for Bad Debts	1,500	1,607	107
Depreciation of Fixed Assets	21,908	21,908	-
<b>Total Expenditure</b>	<b>68,615</b>	<b>68,916</b>	<b>301</b>
<b>Net Cost of HRA Services</b>	<b>(27,096)</b>	<b>(26,652)</b>	<b>561</b>
Interest Payable	15,743	16,131	388
Interest and Investment Income	(2)	(2)	-
Adjustment for Premiums & Discounts	(4)	(4)	-
<b>(Surplus) / Deficit before Transfers to/from Reserves and Provision for Redemption of Debt</b>	<b>(11,359)</b>	<b>(10,528)</b>	<b>831</b>
<u>Allocation of (Surplus)/Deficit</u>			
Provision for Redemption of Debt	11,359	10,528	(831)
Transfer to/(from) Reserves	-	-	-
<b>Balance for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>



**FORECAST REVENUE OUTTURN 2013/14**

2. The forecast outturn for the year is a surplus before allocations of £10.5 million, compared to a budgeted surplus of £11.4 million. The significant variances forecast at this stage of the year are on rents and service charges receivable, supervision and management, provision for bad debts and interest payable.
3. The rents and service charges receivable are forecast to be lower than budgeted by £143,000. This is due to forecast sales of houses for the year, based on sales for the year to date, being higher than assumed when setting the budget. This is in contrast to the trend of recent years and appears to reflect a genuine and significant increase in the number of houses being sold, which began in 2012/13. The number of houses sold will continue to be monitored on a weekly basis throughout the year, and the implications for the business plan evaluated accordingly.
4. Supervision and Management costs are forecast to be £180,000 greater than budgeted for. This is due to a number of small over spends across supervision and management.
5. There has been an increase in the forecast provision for bad debts of £107,000. This is due to an increase in rent arrears.
6. There has been a significant increase in the amount of interest payable, with it forecast to increase by £388,000. This is being driven by the increase in the amount of capital expenditure forecast, and the borrowing required to support that expenditure.
7. It should be noted that no addition to or use of the HRA general balance was budgeted or is forecast for 2013/14, meaning that the balance is forecast to remain at its current contingency level of £5.0M throughout the year.

## BUDGET RISK MANAGEMENT

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
1	Financial and Budget Management	Ineffective budget management.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>Monthly monitoring at Service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly
2	Financial and Budget Management	Non pay inflation increase insufficient.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> <li>Monthly monitoring at Service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly
3	Financial and Budget Management	Pay award greater than budgeted (0%).	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	1	2	G	<ul style="list-style-type: none"> <li>Monthly monitoring at Service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly
4	Financial and Budget Management	Staff turnover below assumed levels.	Overspend against budget requiring either in year savings or use of general fund balance.	2	1	2	G	<ul style="list-style-type: none"> <li>As part of the development of 2013/2014 budgets staff turnover levels were reviewed and revised where possible and affordable.</li> <li>Monthly monitoring at Service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly

## BUDGET RISK MANAGEMENT

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
5	Financial and Budget Management	The HRA borrowing cap preventing the council from carrying out essential capital works.	Inability to borrow to fund capital projects results in delays or cancellations.	3	3	9	A	<ul style="list-style-type: none"> <li>Close monitoring of capital spend requirements and borrowing limits.</li> </ul>	Assistant Director Finance	Monthly
6	Financial and Budget Management	The 30 year asset management plan is inaccurate.	Capital expenditure is not budgeted correctly.	2	4	8	A	<ul style="list-style-type: none"> <li>Close interrogation of information generated from asset management systems.</li> </ul>	Assistant Director Finance	Monthly
7	Financial and Budget Management	Assumptions which inform decision making regarding the balance of the need to reduce debt, invest in revenue or invest in capital are inaccurate.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	3	6	A	<ul style="list-style-type: none"> <li>A prudent approach to assumptions is taken.</li> <li>Monthly monitoring at Service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly

## BUDGET RISK MANAGEMENT

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
8	Financial and Budget Management	Treasury Management Activity, including increases in the cost of borrowing (e.g. LOBO loans being called) and/or reductions in the return on investments.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>Robust Treasury Management Strategy.</li> <li>Established and experienced Treasury Management function.</li> <li>Proactive approach to the management of the council's cash flow, on a daily basis, including seeking opportunities to take advantage of borrowing opportunities when interest rates are favourable and seeking to maximise returns on investment whilst effectively managing the risk associated with those investments.</li> <li>External treasury management advisors who provide a proactive and timely service and advice.</li> </ul>	Assistant Director Finance	Daily
9	Financial and Budget Management	Loss of ICT facilities, e.g. due to failure of systems and/or disaster recovery arrangements or key personnel	Lack of robust financial information on which to monitor budgets, leading to in-year budget deficit requiring savings to be identified or the use of housing revenue account balances	2	4	8	A	<ul style="list-style-type: none"> <li>ICT disaster recovery project and arrangements.</li> </ul>	Assistant Director Finance	Monthly
10	Income and Funding	Reduction to other income.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	3	6	A	<ul style="list-style-type: none"> <li>As part of the 2013/2014 budget process income budgets were reviewed and revised accordingly.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly

## BUDGET RISK MANAGEMENT

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
11	Income and Funding	Higher than anticipated bad debts.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	4	3	12	A	<ul style="list-style-type: none"> <li>Robust debt collection and recovery mechanisms in place.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly
12	Income and Funding	Lower than anticipated levels of capital funding.	Capital schemes are cancelled or delayed or have to be funded from revenue budgets and/or prudential borrowing resulting in an over spend against budget requiring either in year savings or use of housing revenue account balance.	1	4	4	A	<ul style="list-style-type: none"> <li>The capital programme is actively and closely managed and when so doing expenditure and income streams are continuously monitored.</li> <li>A Capital Programme Working Group is now established which provides enhanced governance and control in respect of the capital programme</li> <li>Quarterly monitoring to Members.</li> </ul>	Assistant Director Finance	Monthly
13	Service Demands	Increased demand for services including the impact of social and demographic pressures on demand for services, these pressures can be compounded in an economic downturn.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	3	3	G	<ul style="list-style-type: none"> <li>As part of the 2013/2014 budget process budgets were reviewed and revised accordingly taking account of known and anticipated increases in demand.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>The risks potentially created by demand are mitigated by the fact that supply is limited.</li> </ul>	Budget Holders	Monthly

## BUDGET RISK MANAGEMENT

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
14	Third Parties	Third parties and suppliers / contractors cease to trade or withdraw from the market.	Short term expensive solutions may be necessary. Requirements to undertake tender exercise. Increased ongoing cost due to reduced competition. Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	4	4	A	<ul style="list-style-type: none"> <li>Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the council notice of emerging problems.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Budget Holders	Monthly
15	Government Policy	There are changes to Government policy that have in year service and budget impact.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Close monitoring of developing national position and reporting to Members.</li> </ul>	Budget Holders	Monthly



# Cabinet (Resources) Panel

## 26 November 2013

<b>Report Title</b>	Capital Programme 2013/14 to 2017/18 Quarter Two Review	
<b>Decision designation</b>	RED/AMBER	
<b>Cabinet Member with Lead Responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key Decision</b>	Yes	
<b>In Forward Plan</b>	Yes	
<b>Wards Affected</b>	All	
<b>Accountable Strategic Directors</b>	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor Tel Email	Assistant Director Finance 01902 55(6609) <a href="mailto:Mark.Taylor@wolverhampton.gov.uk">Mark.Taylor@wolverhampton.gov.uk</a>
<b>Report has been considered by</b>	Strategic Executive Board	14 November 2013

### Recommendation(s) for action or decision:

The Cabinet is recommended to:

- (i) Approve for Council recommendation the revised medium term General Fund (excluding housing) capital programme of £290.8 million for the period 2013/14 to 2017/18. Including General Fund private sector housing, the total General Fund capital programme is £310.5 million (paragraph 2.2);
- (ii) Approve virements totalling £3.8 million as set out at Appendix E, in respect of ICT Developments, Electric Vehicle Charging Points, I54 Travel Plan, Block 10 & 11 Wolverhampton Interchange and Youth Zone and (paragraph 4.4);

- (iii) Approve additional resources for existing schemes totalling £11.0 million, as set out in Appendix F (paragraph 4.5);
- (iv) Approve additional resources for new schemes totalling £1.6 million, as set out in Appendix G (paragraph 5.1);
- (v) Approve the 2013/14 updated schedules of works for the following schemes;
  - (a) Appendix L1: Delivery ICTS capital programme;
  - (b) Appendix L2: Education and Enterprise Corporate Asset Management, and
  - (c) Appendix L3: Schools Skills & Learning Capital Maintenance and Basic Needs Grant.
- (vi) Approve the re-allocation of the Structural Maintenance rolling programme budget, above the level of delegated authority. The budget for Deyncourt Road will increase from £133,000 to £310,000, as set out in Appendix C.

**Recommendations for noting:**

The Cabinet is asked to note:

- (i) A medium term budget of £232.3 million for the Housing Revenue Account (HRA) and £19.7 million for the General Fund private sector housing budget. This is due for separate approval by Cabinet on the 26<sup>th</sup> November 2013 (paragraph 8);
- (ii) Virements totalling £3.0 million, as set out in Appendix E in respect of Canalside Quarter, High Street Link and Expansion of Primary School Places (paragraph 4.4);
- (iii) Additional resources for new schemes totalling £19.4 million, as set out in Appendix G (paragraph 5.3)



## CAPITAL PROGRAMME 2013/14 TO 2017/18 QUARTER TWO

### 1. Purpose of Report

- 1.1 To provide Cabinet Members with an update on the financial performance of existing schemes within the capital programme as at quarter two of 2013/14.
- 1.2 To recommend a revised General Fund (excluding housing) capital programme for the period 2013/14 to 2017/18.

### 2. Executive Summary

- 2.1 At its meeting on 25<sup>th</sup> June 2013, Council approved a revised General Fund (excluding housing) capital programme totalling £260.8 million, covering the period 2013/14 to 2017/18.
- 2.2 This report recommends variations to the approved programme totalling £30.0 million as set out in table 1 below, bringing the total revised capital programme to £290.8 million.
- 2.3 Detailed variations from approved budget are set out in Appendices A-G attached and summarised in paragraphs 3 to 6.

**Table 1: Summary of recommended changes to the General Fund (excluding housing) capital programme expenditure**

	Paragraph	Appendix	£000
<b>Current budget</b>			260,839
Budget on completed schemes	3	A	(60)
Budget on existing schemes no longer required	4	D	(1,946)
Additional resources for existing schemes	5	F	11,046
New schemes	6	G	20,920
<b>Revised budget</b>			290,799

### 3. Completed Schemes

- 3.1 Appendix A sets out schemes completed as of 2013/14. There was no expenditure against the budget of £60,000 for Wednesfield Way (Major Transport Scheme) which leaves an approved budget no longer required and can be deleted.

### 4. Existing Schemes

- 4.1 Appendix B provides an update on the financial performance of existing schemes. The current forecast variance up to completion is a £4.3 million overspend. Actual expenditure as at quarter two of 2013/14 stands at £40.3 million, which represents 15% of the current approved budget.

- 4.2 Appendix C details amendments that are required to existing schemes. The financing for these projects is already assumed within the medium term capital programme. This includes the re-allocation of the structural maintenance budget above the level of delegated authority.
- 4.3 Appendix D details an underspend forecast for existing schemes of £2.0 million, for which the budget is no longer required. £1.8 million is due to reduced grant income and £170,000 will result in a reduced borrowing requirement.
- 4.4 Requests for virements between schemes are detailed in Appendix E. These represent the transfer of budget between capital projects. This totals an amount of £6.8 million, £3.0 million of which has been previously approved.
- 4.5 Requests for additional resources totalling £11.0 million are detailed in Appendix F. Key variations are as follows:
- (a) £2.7 million for the i54 Access and Infrastructure Programme financed by £1.1 million of external resources and £1.6 million of internal resources;
  - (b) £1.4 million for the Local Sustainable Transport Fund financed by external resources;
  - (c) £1.9 million for Transport Schemes including Integrated Transport, Local Safety Schemes and Walking, Cycling and Safer Routes to Schools financed by external resources;
  - (d) £4.3 million for the Building Schools for the Future (BSF) Programme financed by £1.0 million of external resources and £3.3 million of internal resources;
  - (e) £0.7 million for the Schools Devolved capital programme financed by external resources, and
  - (f) £10,000 for the Parks Refurbishment Programme financed by internal resources.
- 4.6 The additional £11.0 million will be financed through £6.1 million of additional external resources, which include grant contributions and contributions from other Local Authorities and £4.9 million through internal resources, which includes prudential borrowing and capital receipts.

## **5. New Schemes**

- 5.1 Requests for additional resources totalling £1.6 million to finance new schemes are set out in detail in Appendix G and can be summarised as follows:
- (a) £1.4 million for the i54 Travel Plan financed by external resources;
  - (b) £150,000 for the Black Country Reinvestment Society (BCRS) to be financed by internal resources. The expenditure was approved by Cabinet on 5<sup>th</sup> March 2013, but a change in financing is required.
- 5.2 The total value of new schemes requiring approval is £1.6 million. £1.4 million of which will be financed through external resources, with the balance of £200,000 being financed through internal resources.

5.3 In addition, Appendix G sets out new schemes as follows which have been previously approved and which total £19.4 million, financed through internal resources:

- (a) £7.6 million for Block 10 Wolverhampton Interchange, financed by internal resources. This was approved by Cabinet on 18<sup>th</sup> September 2013.
- (b) £11.8 million for the Expansion of Primary School Places financed by internal resources. This was approved by Cabinet (Resources) on 24<sup>th</sup> September 2013.

## 6. Ancillary Programmes

6.1 Ancillary 2013/14 schedules of works are detailed in Appendix L to provide further analysis against schemes included within the overall programme. These include;

**Appendix L1** - Delivery: ICTS capital programme

This includes the main programme, desktop refresh and disaster recovery schemes.

**Appendix L2** - Education and Enterprise: Corporate Asset Management

Original approval was provided within a report to Cabinet (Resources) on 21<sup>st</sup> May 2013.

**Appendix L3** - Education and Enterprise: Capital Maintenance and Basic Needs Grant

## 7. Programme Financing

7.1 A profile of forecast expenditure by financial year, reflecting the changes to budget recommended in this report, is shown in Appendix H.

7.2 The Programme is financed through internal and external resources. External resources reflect funding secured from external organisations e.g. Central Government. Internal resources reflect expenditure that requires the use of council resources and over which the council therefore has absolute discretion. Capital receipts are only assumed where there is reasonable certainty that they will be received within the required timeframe. The implications of the levels of borrowing required have been fully reflected in the revenue budget and medium term financial strategy.

7.3 Details on the financing of the revised capital programme are shown in Appendix I, with a graphical representation in Appendix J. The changes are summarised below:

**Table 2: Summary of recommended changes to financing of the General Fund capital programme**

	<b>Approved Budget £000</b>	<b>Recommended Budget £000</b>	<b>Variance £000</b>
<b>Expenditure</b>	<b>260,839</b>	<b>290,799</b>	<b>29,960</b>
<b>Financing</b>			
Internal Resources			
Capital Receipts	1,935	2,811	876
Prudential Borrowing	120,750	146,529	25,779
Revenue Contributions	853	1,251	398
Reserves	35	35	-
<b>Subtotal</b>	<b>123,573</b>	<b>150,626</b>	<b>27,053</b>
External Resources			
Supported Borrowing	-	-	-
Grants & Contributions	137,266	140,173	2,907
<b>Subtotal</b>	<b>137,266</b>	<b>140,173</b>	<b>2,907</b>
<b>Total</b>	<b>260,839</b>	<b>290,799</b>	<b>29,960</b>

7.4 There are several schemes which are funded through capital receipts in the long term. However, due to uncertainty around the timing of receipts, they have not been assumed within the capital programme. As a result, Prudential Borrowing will be incurred, until such a time that these receipts are received. A summary of the receipts that are assumed and not assumed within the programme is shown in Appendix L.

7.5 Ernst and Young are currently advising on the level of VAT claimable from HMRC in relation to Voluntary Aided Schools, in particular the Kings and Tettenhall Wood scheme. It has been assumed that there is £3.7 million of irrecoverable VAT which, once the final figure is confirmed, would have to be met from within the BSF programme.

## 8. Housing capital programme

8.1 The Housing Revenue Account Business Plan Quarter Two 2013/14 detailed a budget of £232.3 million and a General Fund private sector housing budget of £19.7 million. This report is also presented to Cabinet on 26<sup>th</sup> November 2013.

## 9. Key Budget Risks

9.1 Appendix M provides an analysis of the risks associated with the capital programme, along with details of the risk control measures that are in place in order to manage and mitigate these risks as far as possible. The overall risk associated with the Programme continues to be quantified as Amber.

## **10. Financial Implications**

10.1 The financial implications are discussed in the body of this report.

[SM/11112013/D]

## **11. Legal Implications**

11.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.

11.2 The Local Government Act 2003 brought in the current regime for capital finance for local authorities. It reduced the level of central control over local authority borrowing and capital expenditure.

11.3 The Council is required to comply with statutory codes of practice including the Prudential Code for Capital Finance in Local Authorities and Treasury Management in the Public Services.

11.4 The legal framework therefore places a greater responsibility on Cabinet Members to ensure properly managed borrowing and capital expenditure without the need for government consent.

11.5 The main principles of the framework are prudence, sustainability and affordability.

[JH/071113/I]

## **12. Equalities Implications**

12.1 Under the Equality Act 2010, the Council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the Council identify the particular needs of different groups and reduce the likelihood of discrimination; the nine equality strands covered by the legislation are;

- Age
- Disability
- Gender reassignment
- Pregnancy and Maternity
- Religion or Belief
- Race
- Sex
- Sexual Orientation
- Marriage and Civil Partnership (this strand only applies to employment and not to service delivery).

These strands include everyone.

12.2 Cabinet Members should also be aware that under the Equality Act 2010, they must have due regard to the Public Sector Equality Duty when making budget decisions. What this means in practice is that Cabinet Members must consciously think about the

three aims of the Public Sector Equality Duty as part of the decision making process, the three aims are to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity by removing or minimising disadvantages, meet differing needs and encouraging participation;
- Foster good relations between people from different groups.

12.3 Consideration of equality issues must influence the decisions reached by public bodies including:

- How they act as employers.
- How they develop, evaluate and review policy.
- How they design, deliver and evaluate services.
- How they commission and procure from others.

12.4 The Brown Principles, established as a result of a legal case concerning Post Offices closures in 2008, provide an important checklist when making decisions:

- Decision makers must be made aware of their duty to have due regard to the identified goals.
- Due regard must be fulfilled before and at the time that a particular decision is being considered, not afterwards.
- The duty must be exercised in substance, with rigour and with an open mind. It is not a question of ticking boxes.
- The duty is not delegable; it must be fulfilled by the organisation in question rather than through the use of an external body to do it to the organisation.
- The duty is a continuing one.
- It is good practice to keep an adequate record showing that it has considered the identified needs.

12.5 There is a range of individual projects delivered through the Council's capital programme that have significant impacts on specific groups and equality implications should be considered when individual capital schemes are being developed.

12.6 This requirement would also apply if there were to be any redirection of capital funding in-year so as to ensure that the impact of any changes is considered.

### **13. Environmental Implications**

13.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.

### **14. Background Papers**

- Black Country Reinvestment Loan Fund – Report to Cabinet, 5<sup>th</sup> March 2013;
- Corporate Asset Management Fund - Approval of Schemes 2013/14 - Report to Cabinet (Resources), 21<sup>st</sup> May 2013;

- Transportation Capital Programme 2012/13 and Future Years: Structural Maintenance – Report to Cabinet, 30<sup>th</sup> May 2012;
- Capital Resources for City Centre and Bilston regeneration priorities – Report to Cabinet, 11<sup>th</sup> September 2013;
- Facilitating Regeneration in the Canalside Quarter – Report to Cabinet, 13<sup>th</sup> November 2013;
- Block 10 and 11 Wolverhampton Interchange - Report to Cabinet, 18<sup>th</sup> September 2013 and Council;
- 2014 Primary School Expansion Programme – Report to Cabinet Resources, 24<sup>th</sup> September 2013, and
- Housing Revenue Account Business Plan Quarter Two 2013/2014 Budgets – Report to Cabinet Resources, 26<sup>th</sup> November 2013.

## 15. Schedule of Appendices

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**Completed Schemes**

<b>Scheme</b>	<b>Start Date</b>	<b>End Date</b>	<b>Budget £000</b>	<b>Actual Expenditure £000</b>	<b>Variance £000</b>	<b>Comments</b>
Wednesfield Way (Major Transport Scheme) - Provision for land and compensation payments		01/03/2013	60	-	(60)	This budget was set up for a compensation payment, but is no longer required. If the claim does materialise, the budget will be obtained from within other resources in the Regeneration Directorate.
<b>Total</b>			<b>60</b>	<b>-</b>	<b>(60)</b>	



Existing Schemes

Assistant Director	Scheme	Start Date	End Date	Spend to date	Total Budget	Forecast	Forecast		
				(as at end of September 2013)	(2013/14 -2017/18)	Expenditure	Variance		
				£000	£000	£000	£000		
<b>DELIVERY</b>									
Chris Huddart	Bereavement Services	Bushbury Cemetery Extension	22/06/2011	31/03/2014	21	15	21	6	
		Bushbury Cremator Replacement	28/11/2009	31/03/2014	-	62	62	-	
	Fleet Services	Vehicles (Procurement)	01/04/2012	31/03/2014	-	10,172	10,172	-	
		Passenger Transport relocation to Wholesale Market	01/12/2012	31/03/2014	7	23	23	-	
		White Diesel Fuel Tank at Culwell Street	01/05/2013	31/03/2014	-	32	32	-	
	Markets Services	WRM - Statutory works to upgrade electrics	01/07/2012	31/03/2014	4	112	112	-	
		WRM - Automatic Entrance Doors	01/04/2012	31/12/2013	1	-	1	1	
		WRM - Market Stall Roof Coverings	01/04/2012	31/03/2014	2	9	9	-	
		WRM - Refurbishment of Public Toilets	01/04/2012	31/03/2014	4	5	5	-	
		<u>Bilston Retail Market</u>							
		BRM - Air Conditioning Upgrade	01/04/2013	31/03/2014	-	204	204	-	
		BRM - Statutory works to upgrade electrics	01/04/2013	31/03/2014	-	339	339	-	
		BRM - Resurfacing works to Loading Bay	01/04/2012	31/03/2014	-	3	3	-	
		BRM - Market Stall Roof Coverings	01/04/2012	31/12/2013	11	-	11	11	
		BRM - Removal of Skylights	01/04/2013	31/03/2014	2	22	22	-	
		<u>Wolverhampton Wholesale Market</u>							
		WWM - Refurbishment of Toilets	01/07/2012	31/03/2014	-	48	48	-	
		WWM - Structural Works	01/07/2012	31/03/2014	10	70	70	-	
		WWM - Resurfacing works to External Market area	01/07/2012	31/03/2014	1	165	165	-	
		<u>Wednesfield Market</u>							
	WM - Statutory works to upgrade electrics	01/03/2013	31/03/2014	-	22	22	-		
	Waste & Recycling	Phase 2 of the waste & recycling service reconfig		31/03/2015	-	306	306	-	
	Alistar Merrick	Energy Management	Installation of Photovoltaic Panels (Invest to Save)	01/10/2013	30/09/2014	-	1,000	1,000	-
			Installation of Biomass Boilers (Invest to Save)	01/10/2013	30/09/2014	100	1,500	1,500	-
			Energy Efficiency Measures	01/07/2010	Ongoing	47	1,233	1,233	-
		Facilities Management	Future Spaces		31/03/2015	-	20,120	20,120	-
			Civic Centre Car Park Repairs		31/03/2016	-	1,450	1,450	-
ICT Developments		<u>General Programme</u>							
		1001 - Security Enhancement	01/04/2013	31/03/2014	75	351	351	-	
		1002 - Refresh	01/04/2013	31/03/2014	252	1,254	1,254	-	
		1003 - Storage Refresh	01/04/2013	31/03/2014	598	756	756	-	
		1004 - Upgrades	01/04/2013	31/03/2014	29	1,032	1,032	-	
	1005 - Infrastructure Upgrades	01/04/2013	31/03/2014	186	1,298	1,398	100		
	1006 - Data Centres	01/04/2013	31/03/2015	1	197	197	-		
	Desktop Refresh	01/04/2013	31/03/2015	-	2,003	2,003	-		
Disaster Recovery	01/04/2013	30/09/2014	27	814	714	(100)			
Mark Taylor	Cross Cutting Schemes	Provision for Future Programmes			-	2,000	1,981	(19)	
	FutureWorks	System Implementation	26/04/2013	31/12/2014	-	2,700	2,700	-	

Assistant Director	Scheme	Start Date	End Date	Spend to date	Total Budget	Forecast	Forecast	
				(as at end of September 2013)	(2013/14 -2017/18)	Expenditure	Variance	
				£000	£000	£000	£000	
<b>COMMUNITY</b>								
John Welsby	Co-location Programme	Graiseley Centre MAST	01/11/2013	31/03/2014	-	54	54	-
		Warstones Primary MAST	01/11/2013	31/03/2014	1	-	1	1
		Priory Green MAST	01/11/2013	31/03/2014	29	-	29	29
		Berrybrook MAST	01/11/2013	31/03/2014	-	35	35	-
		Wednesfield Housing Office MAST	01/11/2013	31/03/2014	44	105	105	-
		SWBA (Parkfields Temp) MAST	01/11/2013	31/03/2014	2	53	53	-
		Eastfield Primary IWA	01/11/2013	31/03/2014	-	3	3	-
		Highfield / Penn Fields IWA	01/11/2013	31/03/2014	-	19	19	-
		Kings / Tettenhall Wood IWA	01/11/2013	31/03/2014	-	26	26	-
		Bushbury Hill Primary IWA	01/11/2013	31/03/2014	-	35	35	-
		Oak Meadow Primary IWA	01/11/2013	31/03/2014	-	15	15	-
		MAST - New Schemes	01/11/2013	31/03/2015	-	251	251	-
		Early Education for two year olds from lower income households	01/01/2014	31/08/2014	-	661	661	-
Looked After Children	Residential Care (Integrated Placement Scheme) at Zoar Street			31/03/2014	-	435	435	-
Children In Need	Short Breaks for Disabled Children	01/04/2013	31/03/2014	-	149	149	-	
Tony Iuko	Adult Social Care Commissioning	Residue on Capital Investment in Community Capacity	01/12/2013	01/04/2014	-	838	838	-
	Independent Living Service	Works to the Neville Garratt Centre and Titan Building ILS - Titan Building Improvement	01/12/2013	01/04/2014	-	89	89	-
Emma Bennett	Sport, Recreation & Leisure	Bert Williams Leisure Centre	01/06/2010	01/03/2014	4	60	60	-
	Sports Investment Strategy	Barnhurst Land Pitches	01/04/2012	31/03/2015	332	2,553	2,553	-
		Synthetic Pitch at Our Lady & St Chads	01/09/2012	31/03/2014	-	994	994	-
		Aldersley Synthetic Pitch	01/05/2012	31/03/2014	5	283	283	-
	Community Recreation	Blakenhall Centre	01/04/2008	31/03/2014	-	13	13	-
		Community Hubs	01/09/2012	31/08/2014	87	4,049	4,049	-
	Parks Strategy & Open Spaces	Parks Refurbishment Programme	01/04/2014	31/03/2014	467	2,316	2,326	10
	Community Initiatives	Community Initiatives Contingency			-	30	30	-
	Information Systems Management	Social Care IT Infrastructure	01/04/2012	31/03/2014	-	10	10	-
		ABR/ABMN Replacement	01/04/2012	31/03/2014	-	4	4	-
Putting People First Programme		01/04/2012	31/03/2014	-	71	71	-	
Cross Cutting Schemes	Electronic Social Care Records	01/02/2012	31/03/2015	-	718	568	(150)	
Viv Griffin	Children's Social Care - Commissioning	Review of Children's Homes	01/12/2013	01/05/2014	-	900	900	-
	Adult's Social Care - Commissioning	Sweetman Street Redevelopment	01/06/2012	31/03/2014	1	-	1	1
		Relocation of Disability Team From Pond Lane	01/12/2013	01/04/2014	-	50	50	-
	Learning Disability	Modernisation of Learning Disability Day Services	01/10/2013	31/03/2016	-	60	60	-

Assistant Director	Scheme	Start Date	End Date	Spend to date				
				(as at end of	Total Budget	Forecast	Forecast	
				September 2013)	(2013/14 - 2017/18)	Expenditure	Variance	
		£000	£000	£000	£000			
<b>EDUCATION &amp; ENTERPRISE</b>								
Nick Edwards	Regulatory Services	Bowman's Harbour - Former Landfill Sites	27/06/2005	31/03/2014	2	639	639	-
		Site Remediation Farndale	27/06/2005	31/03/2017	0	5,201	5,201	-
		Contaminated Land - Weddell Wynd		31/12/2013	4	-	4	4
		Canalside Quarter	01/01/2011	30/06/2014	-	600	1,200	600
	Planning	Chapel Ash and Darlington Street Partnership	01/04/2009	31/03/2014	4	70	70	-
	Physical Regeneration	Bilston Urban Village	01/06/2012	31/03/2016	-	5,000	5,000	-
		BUV - High Street Link	01/06/2012	01/06/2014	697	1,484	2,334	850
		Demolition of Bilston Leisure Centre/ Former Day Centre		31/12/2013	22	-	22	22
		Land Acquisitions - Crateford Lane	01/04/2009	31/12/2013	1	-	1	1
		City Centre	01/04/2012	01/03/2015	-	6,000	3,150	(2,850)
		Youth Zone	21/05/2013	30/09/2015	-	3,000	3,300	300
		City Deal	01/04/2014	31/03/2016	-	1,500	1,500	-
		South Side	01/06/2012	31/03/2015	223	6,616	4,716	(1,900)
	Corporate Asset Management	Central Library - Electrical Systems & DDA Works		31/12/2013	-	6	6	-
		Rationalisation Initiatives	01/04/2012	01/11/2013	10	30	10	(20)
		Planned Programme of Enhancements	01/04/2011	31/03/2017	11	1,301	1,301	-
		Minor Works Programme for Childrens' Social Care	01/04/2011	31/03/2017	-	408	408	-
		Minor Works Programme for Adults' Social Care	01/04/2011	31/03/2017	4	431	431	-
		Refurbishment of Corner House	01/04/2012	01/11/2013	-	36	36	-
		Statutory Compliance Measures	01/04/2011	31/03/2017	22	955	955	-
	Targeted Disposals Programme		01/04/2012	31/03/2015	3	1,866	1,866	-
	Vacation & Disposal of Jennie Lee Centre		01/09/2011	01/03/2014	79	204	204	-
	Redevelopment of Tower & Fort Works Site		01/04/2012	31/10/2014	-	688	688	-
	Transportation Strategy & Development	Wolverhampton City Centre Interchange	01/09/2010	31/03/2014	63	2,092	2,092	-
		i54 Access and Infrastructure	01/03/2012	01/06/2014	1,290	17,889	20,194	2,305
		West Midlands Urban Traffic Control	01/04/2009	31/03/2015	743	6,260	6,260	-
		West Midlands Red Routes - Package 1	01/04/2007	31/03/2014	-	93	93	-
		Local Sustainable Transport Fund	01/09/2012	31/03/2015	63	570	1,982	1,412
		Structural Maintenance	on going annual programme	on going annual programme	1,082	11,636	11,636	-
	Network Development Programme	City Centre Transport & Movement Enhancements	01/01/2013	01/12/2015	26	4,883	4,883	-
		Local Safety Schemes	on going annual programme	on going annual programme	41	500	1,490	990
Integrated Transport		on going annual programme	on going annual programme	1,552	7,163	7,664	501	
Walking, Cycling, Safer Routes to Schools & Minor improvements		on going annual programme	on going annual programme	15	355	755	400	

Assistant Director	Scheme	Start Date	End Date	Spend to date	Total Budget	Forecast	Forecast
				(as at end of September 2013)	(2013/14 - 2017/18)	Expenditure	Variance
				£000	£000	£000	£000
<b>EDUCATION &amp; ENTERPRISE</b>							
James Mcelligott	Neighbourhood Employment & Skills	28/05/2013	31/12/2013	22	126	126	-
	Capital Maintenance & Basic Need						156
	Planned Maintenance	01/04/2012	31/03/2014	60	9	165	156
	Asbestos Removal	01/04/2012	31/03/2015	20	222	222	-
	Boiler/Pipework Replacements	01/04/2012	31/03/2014	321	1,090	938	(152)
	Roof/Window/Lighting Replacements	01/08/2012	31/03/2014	287	801	636	(165)
	Toilet Refurbishment	01/08/2012	31/03/2014	61	80	80	-
	External Works	01/08/2012	31/03/2014	-	33	33	-
	Ground Works	01/06/2012	31/03/2014	-	170	4	(166)
	St Peter's / St Edmund's Access Road		31/03/2014	-	15	15	-
	Emergency Gas Pipework Repair		31/12/2013	7	-	7	7
	Contingency for Emergency works across all schools	on going annual programme	on going annual programme	1	746	353	(393)
	School Development Plans	01/08/2012	31/03/2014	106	805	755	(50)
	Fire Prevention		31/03/2014	34	314	174	(140)
	Schools Access		31/03/2014	-	245	245	-
	Balance of 2012/13 Grant			4	-	4	4
	Amalgamation	01/06/2011	31/12/2013	3	-	3	3
	Wilkinson Primary	01/06/2012	31/12/2013	3,427	5,137	5,137	-
	Unallocated			-	19,705	17,929	(1,776)
	Capital Maintenance	01/02/2014	31/08/2014	-	495	517	22
	Bilston CE Primary - Expansion of Primary School Places	20/07/2013	31/03/2014	15	1,228	1,528	300
	Eastfield Primary - Expansion of Primary School Places	01/07/2012	31/03/2014	-	7	7	-
	St Andrew's CE Primary - Expansion of Primary School Places	01/04/2013	31/03/2014	161	482	482	-
	Northwood Park Primary - Expansion of Primary School Places	01/07/2012	31/03/2014	167	178	456	278
	Capital Maintenance Grant 2013/2014 - used to finance any in year schools maintenance items		31/03/2014	-	1,588	316	(1,272)
	Schools Devolved Formula Capital	on going annual programme	on going annual programme	-	2,912	3,598	686
	Building Schools for the Future						
	Sample Schemes - The Kings School	26/07/2010	31/12/2013	6	-	36	36
	Sample Schemes - Highfields School	26/07/2010	18/04/2014	-	1,719	-	(1,719)
	Sample Schemes - Penn Fields Special School	26/07/2010	18/04/2014	-	386	-	(386)
	Phase 1 - Coppice Performing Arts School	14/03/2011	01/02/2014	-	22	272	250
	Phase 1 - South Wolverhampton & Bilston Academy	28/02/2011	17/09/2014	74	1,204	441	(763)
	Phase 1 - Wednesfield High School	14/03/2011	01/02/2014	138	202	202	-
	Phase 2 - St Edmunds School/ Compton Park Site	23/04/2012	31/01/2015	2,201	1,979	2,719	740
	Phase 2 - Moreton Community School	10/04/2012	31/01/2015	1,222	1,405	1,612	207
	Phase 2 - Our Lady & St Chads Catholic Sports College	12/03/2012	31/01/2015	1,944	586	2,243	1,657
	Phase 2 - Colton Hills Community School	19/03/2013	31/01/2015	1,481	417	1,985	1,568
	Phase 3 - Midpoint Centre	07/01/2013	31/01/2015	1,909	1,651	2,062	411
	Phase 3 - North East Academy (Pendeford)	07/01/2013	31/01/2016	1,380	8,858	8,723	(135)
	Phase 3 - Smestow School	07/01/2013	31/01/2016	4,000	6,835	6,899	64
	Phase 3 - Westcroft School and Sport College	07/01/2013	01/12/2015	1,707	4,032	4,301	269
	Phase 3 - Aldersley High School	07/01/2013	31/01/2016	2,154	6,062	6,055	(7)
	Phase 3 - Moseley Park School	27/05/2013	31/03/2016	1,354	6,127	6,128	1
	Phase 3 - New Park Special School	07/01/2013	31/01/2015	980	1,052	1,052	-
	Phase 3 - Penn Hall Special School	07/01/2013	31/01/2015	1,220	1,228	1,228	-
	Phase 3 - St Peters CoE School	01/04/2013	30/10/2015	3,169	5,580	5,829	249
	Phase 3 - Wolverhampton Girls High School	01/04/2013	30/10/2015	1,619	5,831	5,917	86
	Phase 3 - Traffic Signal Scheme	28/02/2011	01/03/2015	-	228	228	-
	Asbestos Remedial Works	26/07/2010	01/02/2015	43	450	1,350	900
	Funding to be Identified for Kings/Tettenahall Wood Schools VAT Adjustment			-	(1,675)	(1,675)	-
	BSF ICT Infrastructure		01/03/2017	488	17,908	18,855	947

Appendix B

Assistant Director	Scheme	Start Date	End Date	Spend to date	Total Budget	Forecast	Forecast		
				(as at end of September 2013)	(2013/14 -2017/18)	Expenditure	Variance		
				£000	£000	£000	£000		
	Primary Capital Programme	Warstones Primary School	01/05/2010	31/12/2013	1	-	1	1	
		Oak Meadow Primary School	01/09/2010	31/12/2013	3	-	3	3	
		Bushbury Hill Primary School	01/09/2010	31/12/2013	4	3	4	1	
		Bilston CofE Primary School	01/05/2010	31/12/2013	11	25	25	-	
	14-19 Diploma Exemplar Learning Centre		01/11/2010	31/12/2013	18	167	167	-	
	Other Projects	School IT (LA Loans)		31/03/2014	80	-	80	80	
	Keren Jones	Partnerships	LPSA Reward Grant - Payment to Partners		31/03/2014	-	35	35	-
		Civic Halls & Museums	Archive Services Relocation Molineux Hotel	01/04/2012	31/03/2014	-	59	59	-
			Civic Hall Improvements	01/06/2012	31/03/2014	44	114	114	-
			Midland Box Office (Invest to Save)		31/10/2013	-	75	75	-
Newhampton Art Centre Improvements			01/07/2012	31/03/2014	-	154	154	-	
				<b>TOTAL</b>	<b>40,253</b>	<b>260,779</b>	<b>265,086</b>	<b>4,307</b>	

## Amendments to Existing Schemes (no impact on overall budget)

Scheme	Start Date	End Date	Budget £000	Comments
Relocation of Disability Team from Pond lane to Albert Road	01/12/2013	01/04/2014	50	Approved expenditure funded by the Community Capacity Investment Grant will be used for the Albert Road Refurbishment. This was part of the £888,000 ring fenced Community Capacity Grant to finance Adult Social Care schemes.
Co-location Programme	01/01/2014	31/03/2015	596	Expenditure of £358,000 funded by unspent Co-location grant and £238,000 through Prudential Borrowing is to be used to improve accommodation in MAST Centres, Children's Centres and Family Support Centres. These funds have been assumed within the capital programme since 2010/11.
Structural Maintenance	01/12/2013	01/04/2014	11,636	Within the carriageway and footway maintenance programme, approval is sought to increase the budget for Deyncourt Road from £133,000 to £310,000, beyond the level of delegated authority, previously approved. This is part of a rolling programme, so there is no effect on the capital programme budgets.

## Reduction in Budget of Existing Schemes

Scheme	Start Date	End Date	Budget £000	Comments
The Electronic Social Care Records Scheme	01/02/2013	30/03/2015	(150)	The scheme is now a forecast to spend £568,000, down from £718,000. This results in a reduced borrowing requirement of £150,000.
The Capital Maintenance and Basic Need Programme within Schools	01/04/2013	31/03/2014	(1,776)	A reduction in the Capital Maintenance and Basic Need Grant allocation.
Rationalisation Initiatives	01/04/2012	01/03/2013	(20)	There is no additional forecast spend for this scheme, and so the additional budget is no longer required.
<b>Total</b>			<b>(1,946)</b>	

## Virements

## Virements Requiring Approval

Directorate	Scheme	Virement Required £000	Comments
Delivery	ICT Developments - Disaster Recovery	(100)	The schedule of works will be re-prioritised.
	Provision for Future Programmes	(19)	Existing budget will be re-allocated to prioritise sustainability works.
Education and Enterprise	I54 Access and Infrastructure Scheme	(400)	To establish separate I54 schemes.
	City Centre	(2,250)	Delivery of City Centre and wider regeneration is being prioritised through the Block 10 and 11 Interchange scheme.
	South Side	(1,050)	Negotiations for property acquisitions are on-going, but due to the economic downturn fewer resources are required.
<b>Sub Total</b>		<b>(3,819)</b>	
Delivery	ICT Developments - General Programme	100	To cover costs associated with mainframe decommissioning, where solutions are provided within Agresso. This includes Pensions (PENC), Periodic Receipts Register (PRR), Schedule of Rates Catering (SOR), Technical Ordering (ORT), Fuel Issue System (FIS), Technical Salaries (TEC) and Public Building Cleaning (PBC).
	Installation of Electric Vehicle Charging Points	19	To fund a new scheme totalling £47,600 as referenced in Appendix G.
	I54 Travel Plan	400	To fund a new scheme totalling £1.8 million funded through a £400,000 virement and £1.4 million of S106 grant as referenced in Appendix G.
Education and Enterprise	Block 10 Wolverhampton Interchange Project	440	New scheme totalling £10.6 million funded through a £3.0 million virement and £7.6 million of Prudential borrowing as referenced in Appendix G. The Cabinet report dated 18th September 2013 gave approval to vire £3.0 million to the Block 10 and 11 Wolverhampton Interchange Project from City Centre, so approval is required for virements from both City Centre and Southside.
	Block 11 Wolverhampton Interchange Project	2,560	
	Youth Zone	300	Overspend forecast against scheme due to works relating to an electricity substation, additional budget required.
<b>Sub Total</b>		<b>3,819</b>	
<b>TOTAL</b>		<b>-</b>	



## Virements to Note

Directorate	Scheme	Virement Required £000	Comments
Education and Enterprise	City Centre	(600)	The Cabinet report dated 12th November 2013 gave approval to vire £600,000 to Canalside Quarter. Delivery of City Centre and wider regeneration is being prioritised through the Canalside Quarter scheme.
	South Side	(850)	Negotiations for property acquisitions are on-going, but due to the economic downturn fewer resources are required. The Cabinet report dated 11th September 2013 gave approval to vire £850,000 to High St Link.
	Schemes not yet identified	(1,549)	£1.2 million of Basic Need and £300,000 Capital Maintenance grant previously uncommitted but earmarked to be used for the Primary School Expansion programme, as per the report to dated 24th September 2013.
<b>Sub Total</b>		<b>(2,999)</b>	
Education and Enterprise	Canalside Quarter Regeneration	600	New scheme totalling £1.2 million to construct and commission a new LPG plant. This will be part funded by a £600,000 contribution from the Growing Places Fund. The £600,000 use of Council Resources has potential to be reduced, dependant on contributions from Consortium members. Full details are included within the 13th November 2013 report, Facilitating Regeneration in the Canalside Quarter.
	High Street Link	850	As the negotiation process is well underway the estimations of forecast expenditure, namely compensation costs are more accurate.
	Expansion of Primary School Places	1,549	To fund a new scheme totalling £13.3 million funded through a £1.5 million virement and £11.8 million of ring-fenced capital receipts as referenced in Appendix G.
<b>Sub Total</b>		<b>2,999</b>	
<b>TOTAL</b>		<b>-</b>	

**Additional Resource Requests for Existing Schemes**

**Financed Externally**

Directorate	Scheme	Current Budget £000	Current Forecast £000	Additional Resource Required £000	Financing	Reasons for additional resource
Education and Enterprise	I54 Access and Infrastructure *	17,889	20,194	1,151	Contribution from other Local Authorities	£1.2 million additional contribution is due from Staffordshire County Council. This brings their total future contribution to £3.3 million. Of this only £500,000 has been assumed within the Capital Programme as the remaining balance is dependant on capital receipts. Although there will be no long term indebtedness, due to uncertainty around the timing of these receipts, there will be a requirement to fund the balance of the expenditure through short term borrowing. This will be offset by a reduction of borrowing in future years.
	Local Sustainable Transport fund	570	1,982	1,412	Grant Contribution	£1.1 million of Grant Contributions from Section 31 MS Grant and Canals & Rivers Trust together with £330,000 of Local Pinch Point Funding.
	Integrated Transport	7,163	7,664	501	Grant Contribution	
	Local Safety Schemes	500	1,490	990	Grant Contribution	
	Walking, Cycling, Safer Routes To Schools and Minor Improvements	355	755	400	Grant Contribution	£1.9 million of Local Pinch Point Funding.
	Building Schools for the Future *	72,087	77,597	947	Grant Contribution	Standards Fund Grant contribution to fund ICTS.
	Schools Devolved Formula Capital	2,912	3,598	686	Grant Contribution	Schools Devolved Grant allocation for 2013/14.
<b>Sub Total</b>		<b>101,476</b>	<b>113,280</b>	<b>6,087</b>		

Financed Internally

Directorate	Scheme	Current Budget £000	Current Forecast £000	Additional Resource Required £000	Financing	Reasons for additional resource
Community	Parks Refurbishment Programme	2,316	2,326	10	Borrowing	Grapes Pool Park requires an additional £10,000 for rectification work following the contractor going into liquidation.
Education and Enterprise	Building Schools for the Future *	72,087	77,597	365	Revenue Contributions for Capital Outlay (RCCO)	£398,000 of revenue contribution has been received from schools which covers the variations made to approved building specifications. This is partly offset by a reduction in council resources of £33,000.
	I54 Access and Infrastructure *	17,889	20,194	1,554	Borrowing/ Receipts	£1.6 million of additional capital receipts have been identified which relates specifically to the I54 site and so will be ring-fenced. There is a total of £1.6 million of ring-fenced I54 capital receipts, of which only £61,000 has been assumed within the Capital Programme. It is uncertain when the remaining balance of receipts will be received and so there will be a requirement to fund this expenditure through Prudential Borrowing in the meantime.
	Sample Schemes - The Kings School	-	30	30	Borrowing/ Receipts	A schedule of works has resulted in increased expenditure of £3.0 million for the BSF project. The sale of the Jennie Lee Centre was part ring-fenced to these works, as referenced in the report to Cabinet dated 24th September 2013 . The agreed sale price is £4.1 million, with £1.1 million being allocated to existing schemes; Investment in LEP and Barnhurst Playing Fields, which have incurred borrowing in previous years. £400,000 has been received and so is assumed within the Capital Programme. Due to uncertainty around the timing of the £3.7 million balance of the receipt, there will be a requirement to fund this expenditure through borrowing in the medium term.
	Phase 1 - Coppice Performing Arts School	22	272	250		
	Phase 1 - South Wolverhampton & Bilston Academy	1,204	1,228	24		
	Phase 2 - St Edmunds School/ Compton Park Site	1,979	2,719	740		
	Phase 2 - Moreton Community School	1,405	1,531	126		
	Phase 2 - Our Lady & St Chads Catholic Sports College	586	802	216		
	Phase 3 - Midpoint Centre	1,651	2,062	411		
	Phase 3 - Westcroft School and Sport College	4,032	4,301	269		
	Phase 3 - Aldersley High School	6,062	6,098	36		
Phase 3 - Wolverhampton Girls High School	5,831	5,859	28			
Asbestos Remedial Works	450	1,350	900			
<b>Sub Total</b>		<b>115,514</b>	<b>126,369</b>	<b>4,959</b>		
<b>Total</b>				<b>11,046</b>		

\* These schemes are both internally and externally funded

**New Schemes**

**New Schemes requiring Approval**

				Forecast Expenditure		
Directorate	Scheme	Start Date	End Date	£000	Financing	Additional Project details
Education and Enterprise	I54 Travel Plan	01/10/2013	01/06/2014	1,800	Grant Contribution & Virement	£1.4 million of additional Section 106 grant funding will be used. £400,000 is a virement from the I54 Access and Infrastructure budget as referenced in Appendix E.
	Black Country Reinvestment Society (BCRS)	01/11/2013	01/11/2014	150	Borrowing	The Black Country Reinvestment Society have partnered with Wolverhampton City Council (WCC) to provide well-run small and medium sized businesses in Wolverhampton with loans of up to £50,000. BCRS will put in £150,000 and match funding is required from WCC to cover this scheme. The expenditure, with financing through reserves, was approved within a report to Cabinet on 5th March 2013. In order to preserve reserves in light of the current financial challenge facing the council it is recommended that this is now funded from Prudential Borrowing.
Delivery	Installation of Electric Vehicle Charging Points	01/01/2014	31/12/2017	19	Virement	The Office for Low Emission Vehicles (OLEV) is grant funding the installation of recharging infrastructure through regional Plugged-In Places (PIP) schemes, including Plugged in Midlands (PIMs). Grant funding is 60% with no cap, including purchase and installation. This includes 3 years of data collection, line rental, maintenance and warranty. The grant is available until the end of March 2014 for all qualifying installations. This scheme covers the supply and installation of dual Type 2 charging points in short and long stay car parks in St Peter's, Faulkland St, Broad St, Fold St, Peel St, High St Tettenhall, Pinfold St Bilston and Woodhouse Fold Wednesfield. This is estimated to cost up to £47,600 of which £19,040 would be covered by the Council. As referenced in Appendix E, this will be funded through a virement from the Provision for Future Programmes budget.
				Less Virements	(419)	
				<b>Subtotal</b>	<b>1,550</b>	

New Schemes to Note

Forecast Expenditure						
Directorate	Scheme	Start Date	End Date	£000	Financing	Additional Project details
Education and Enterprise	Wolverhampton Interchange, Block 10	01/10/2013	01/06/2015	8,010	Borrowing & Virement	£7.6 million of additional Prudential Borrowing is required. £440,000 is a virement from existing approved City Centre budget, as referenced in Appendix E. This was approved by Cabinet in the Block 10 and 11 Interchange report dated 18th September 2013.
	Expansion of Primary School Places	01/10/2013		13,349	Borrowing/ Receipts & Virement	The 2014 Primary School Expansion Programme has approved expenditure of £13.3 million, as per Cabinet Report dated 24th September 2013. £11.8 million will be financed through ring-fenced capital receipts arising from the sale of various school sites. Due to the uncertainty around timing, these have not been assumed in the Capital Programme and so there will be a requirement to fund this through Prudential Borrowing in the medium term. £1.5 million is a virement from existing grant funding, as referenced in Appendix E.
				Less Virements	(1,989)	
				<b>Subtotal</b>	<b>19,370</b>	
				<b>TOTAL</b>	<b>20,920</b>	

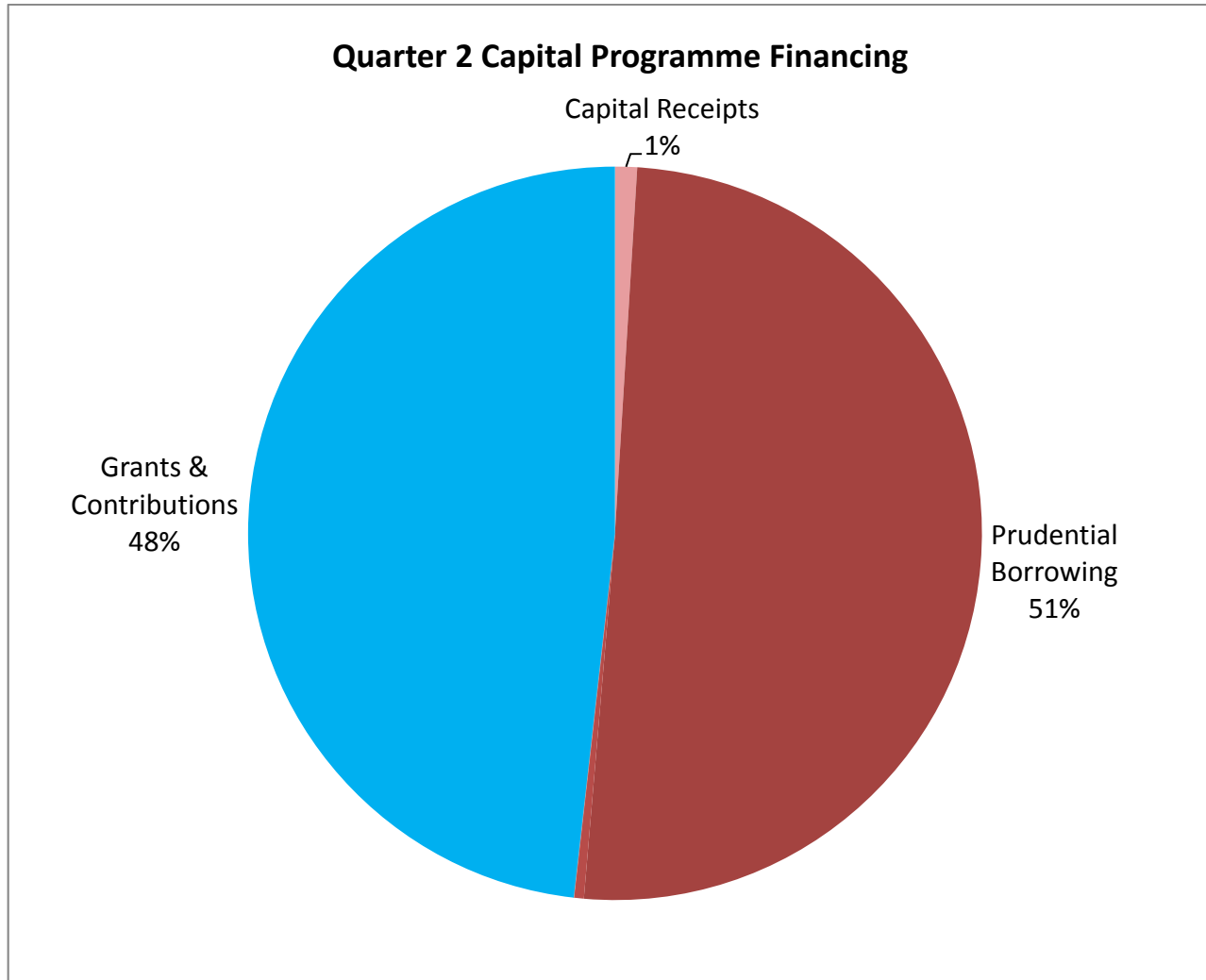
## Summary of capital programme

Directorate	Forecast £000					TOTAL
	2013/14	2014/15	2015/16	2016/17	2017/18	
<b>Expenditure</b>						
Community	8,099	5,968	672	-	-	14,739
Delivery	18,030	14,145	10,985	4,157	2,000	49,317
Education & Enterprise	124,647	74,915	13,252	9,442	4,487	226,743
<b>Total Programme</b>	<b>150,776</b>	<b>95,028</b>	<b>24,909</b>	<b>13,599</b>	<b>6,487</b>	<b>290,799</b>
<b>Financing</b>						
Internal Resources	58,983	66,309	17,322	6,012	2,000	150,626
External Resources	91,793	28,719	7,587	7,587	4,487	140,173
<b>Total Resources</b>	<b>150,776</b>	<b>95,028</b>	<b>24,909</b>	<b>13,599</b>	<b>6,487</b>	<b>290,799</b>

## Analysis of Capital Programme Financing

<b>Financing</b>	<b>Total £000</b>
<b>Expenditure</b>	290,799
<b>Internal Resources</b>	
Capital Receipts	2,811
Prudential Borrowing	146,529
Revenue Contributions	1,251
Reserves	35
<b>Subtotal</b>	150,626
<b>External Resources</b>	
Supported Borrowing	-
Grants & Contributions	140,173
<b>Subtotal</b>	140,173
<b>Total</b>	<b>290,799</b>

**Graphical Representation of Financing**





**Appendix K**

**Summary of Receipt Assumptions**

	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL	Future Years/No estimated timing
<b><u>Assumed within Capital Programme</u></b>							<b><u>Not assumed</u></b>
Non- ringfenced General Fund	2,031	300	-	-	-	2,331	6,528
Jennie Lee ringfenced	419	-	-	-	-	419	3,750
I54 ringfenced receipt	61	-	-	-	-	61	1,617
Primary Schools ringfenced	-	-	-	-	-	-	14,565
<b>TOTAL RECEIPTS</b>	<b>2,511</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,811</b>	<b>26,460</b>
I54 contribution	534	5				539	2,804
<b>TOTAL CONTRIBUTION (RECEIPT RELATED)</b>	<b>534</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>539</b>	<b>2,804</b>

## Appendix L1

## 2013/14 ICTS Capital Programme

ICT Capital Programme Quarter 2 2013/14	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
<b>Main Programme:</b>					
<u>Security Enhancement [1001]</u>					
Enterprise Anti Virus	311	-	-	-	-
Network Access Control	30	-	-	-	-
Network Intruder Detection	10	-	-	-	-
	351	-	-	-	-
<u>Refresh [1002]</u>					
Microsoft Enterprise Agreement	254	1,000	-	-	-
	254	1,000	-	-	-
<u>Storage Refresh [1003]</u>					
Increase Storage Capacity	596	-	-	-	-
Replace NEO4000 tape library	160	-	-	-	-
	756	-	-	-	-
<u>Upgrades [1004]</u>					
Replace / Upgrade Firewalls	197	-	-	-	-
Email labelling for GCSx	60	-	-	-	-
Web Filtering and Email Filtering replacement / upgrade	317	-	-	-	-
SQL Upgrade	21	-	-	-	-
Infra Upgrade	1	-	-	-	-
Exchange 2010	8	-	-	-	-
MOSS 2010	-	-	-	-	-
HR OPAS Module	-	-	-	-	-
Qlikview	28	-	-	-	-
Enterprise SFTP Solution	100	-	-	-	-
Corporate Data Network - contract renewal	-	300	-	-	-
	732	300	-	-	-
<u>Infrastructure Upgrades [1005]</u>					
IP Telephony	114	-	-	-	-
Windows 7 Migration	100	-	-	-	-
Replace smaller mainframe applications	200	-	-	-	-
Core network infrastructure upgrade	110	-	-	-	-
Network Hardware Refresh	60	30	30	30	-
SSL / VPN Remote Access replacement / upgrade	129	-	-	-	-
Replace public network infrastructure	99	-	-	-	-
Expand production VM environment and production DMZ environment	32	30	30	30	-
Secondary schools network	53	-	-	-	-
DASS to SIP trunking	8	-	-	-	-
SX2000 decommissioning	3	-	-	-	-
SCCM	-	-	-	-	-
SCOM	-	-	-	-	-
Thin client solution	250	-	-	-	-
Two factor authentication replacement / upgrade	60	-	-	-	-
	1,218	60	60	60	-
<u>Data Centres [1006]</u>					
Cold aisle containment	20	-	-	-	-
Uninterruptable Power Supply (UPS) capacity upgrade	14	-	-	-	-
Environmental monitoring	15	-	-	-	-
Additional Data Cabinets	12	6	6	-	-
Air conditioning	64	-	-	-	-
Additional capacity (schools)	40	-	-	-	-
Mainframe decommission and deep clean	20	-	-	-	-
	185	6	6	-	-
<b>Main Programme</b>	<b>3,496</b>	<b>1,366</b>	<b>66</b>	<b>60</b>	<b>-</b>
<b>Desktop Refresh</b>	<b>1,003</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disaster Recovery</b>	<b>714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total ICTS Capital Programme</b>	<b>5,213</b>	<b>2,366</b>	<b>66</b>	<b>60</b>	<b>-</b>

## Appendix L2

## 2013/14 Education and Enterprise: Corporate Asset Management

Statutory Compliance Measures	BUDGET PROJECTION £000
<b>Programme of works for 2013/14- Requiring Approval</b>	
Alan Garner Centre - Electrical re-wiring	1
Civic Centre - DDA Works to 3rd Floor Committee Room	5
Finchfield Library - Electrical re-wiring	2
Graiseley Music School - Electrical re-wiring	4
Kingswood Centre - Works per Fire Risk Assessment	18
Newhampton Arts Centre - Electrical re-wiring	7
Northwood Park Office - Electrical re-wiring	6
Parkfields Centre - DDA Works to WC	5
Wolverhampton City Stop - Electrical re-wiring	1
	<b>49</b>
<b>Programme of works for 2013/14- To Note</b>	
Bantock House	9
Bilston Library & Museum	7
Bradley Day Centre	1
Bradley Resource Centre	1
Civic & Wulfrun Halls	30
Croft Resource Centre	1
Danescourt Cemetery	1
Gatis St Adventure Playground	3
Hall Green Cemetery	5
Kingswood Residential Centre	9
Little Civic	60
Lunt CC	1
Merry Hill House	3
Neil Docherty Education & Resource Centre	1
Nelson mandela House	11
Peach Tree Adventure Playground	1
Penn Library	3
Tettenhall Library	1
Wednesfield Mortuary - Alfred Squire Road	1
Woden Resource Centre	2
	<b>151</b>
<b>TOTAL</b>	<b>200</b>
<b>Reserve schemes for 2013/14- To Note</b>	
<b>to be managed within budget in line with changing priorities</b>	
All Saints CC	13
Ashmore Park YC	5
Bilston CC	15
Bradmore CC	18
Bradmore CC	22
Civic & Wulfrun Halls	45
Corner House	2
Dovecotes CC	1
Dunstall CC	11
Dunstall CC	10
Eastfield CC	2
Heath Town CC	14
Lanesfield CC	5
Lunt CC	12
Magistrates Courts	30
Magistrates Courts	45
Oxley Moor House	19
Portobello CC	9
St Chads CC	11
St Chads CC	22
Woodcross CC	13
	<b>324</b>

## Appendix L2

<b>Minor Works Programme for Adults</b>	<b>BUDGET PROJECTION £000</b>
<b><u>Programme of works for 2013/14- Requiring Approval</u></b>	
Bradley Day Centre - Electrical works	7
	<b>7</b>
<b><u>Programme of works for 2013/14- To Note</u></b>	
Blakenhall Resource Centre	12
Bradley Resource Centre	13
Bradley Day Centre - Door Entry System	10
Maltings Pathway Project - Fordhouse Rd Industrial Estate	5
Merry Hill House	19
Nelson Mandela House	30
Recovery House	10
Woden Resource Centre	11
	<b>110</b>
<b>TOTAL</b>	<b>117</b>
<b><u>Reserve Schemes 2013/14- Requiring Approval</u></b>	
<b>to be managed within budget in line with changing priorities</b>	
Blakenhall House Resource Centre - Electrical works	27
Bradley Lodge - Electrical Works	6
	<b>33</b>

<b>Minor Works Programme for Children's</b>	<b>BUDGET PROJECTION £000</b>
<b><u>Programme of works for 2013/14- To Note</u></b>	
Blakenhall Family Resource Centre	21
Bramerton Close Childrens Home	8
Stowheath Childrens Resource Centre	25
Upper Pendeford Farm	5
Windmill Childrens Resource Centre	8
	<b>67</b>
<b><u>Reserve Schemes- Requiring Approval</u></b>	
<b>to be managed within budget in line with changing priorities</b>	
Barnhurst Family Day Centre	12
Beldray Building	3
Red Gables - External lighting to pathway	4
Stowheath House - Heating controls	10
The Avenues Family Centre	5
Upper Pedeford Farm - External lighting to walkway	6
54 Windmill Lane - Heating controls	10
	<b>50</b>
<b><u>Reserve Schemes- To Note</u></b>	
<b>to be managed within budget in line with changing priorities</b>	
Youth Offending Team - Beckminster House	16
	<b>16</b>

## Appendix L3

## 2013/14 Education and Enterprise: Schools Skills and Learning Capital Maintenance and Basic Needs Grant

Site	Description	Grant (£000)
<b><u>2012/13 Asbestos</u></b>		
Westcroft Primary	Asbestos removal	3
Woodfield Infant	Asbestos removal to cupboards door	1
Edward the Elder Primary	Asbestos removal to corridor partition	4
Graiseley Primary	Asbestos removal prior to boiler replacement work 13/14	15
Bantock Primary	Asbestos removal prior to boiler replacement work 13/14	10
		<b>32</b>
<b><u>2012/13 Schools Access</u></b>		
St Bartholomew's CE Primary	Footpath to main entrance	7
		<b>7</b>
<b><u>Capital Maintenance 2013/14 - £3,353,982</u></b>		
<b><u>Rewiring and Electrical Upgrades - £164,500</u></b>		
Bantock Primary	Rewiring and Electrical Upgrades	6
Castlecroft Primary	Rewiring and Electrical Upgrades	13
Dovecotes Primary	Rewiring and Electrical Upgrades	13
Goldthorn Park Primary	Rewiring and Electrical Upgrades	20
Graiseley Primary	Rewiring and Electrical Upgrades	18
Manor Primary	Rewiring and Electrical Upgrades	16
Oxley Primary	Rewiring and Electrical Upgrades	8
Parkfield Primary	Rewiring and Electrical Upgrades	9
Perry Hall Primary	Rewiring and Electrical Upgrades	10
Springvale Primary	Rewiring and Electrical Upgrades	7
St Andrew's CE Primary	Rewiring and Electrical Upgrades	20
Whitgreave Junior	Rewiring and Electrical Upgrades	9
Wodensfield Primary	Rewiring and Electrical Upgrades	16
		<b>165</b>
<b><u>Asbestos - £50,000</u></b>		
Asbestos removal contingency		44
St Bartholomew's CE Primary	Asbestos removal to boiler house	5
Whitgreave Infants School	Remove cement based panels from cloakroom	2
		<b>50</b>
<b><u>Development Plans - £640,000</u></b>		
Bushbury Nursery	Toilet refurbishment, Storage/Accoustics	40
Dovecotes Primary	Linked to suitability / sufficiency audit	40
East Park Primary	Linked to suitability / sufficiency audit	40
Eastfield Primary	Refurbish Year 1 Classrooms	40
Graiseley Primary	Linked to suitability / sufficiency audit	40
Long Knowle Primary	Linked to suitability / sufficiency audit	40
Palmers Cross Primary	Reconfigure Car Park	40
Phoenix Nursery	Extend Office space	40
St Alban's CE Primary	Linked to suitability / sufficiency audit	40
Stow Heath Primary	Replacement Windows KS1	40
Westacre Infant	Replacement lighting	40
Whitgreave Infant	Reconfigure teaching space, storage, break-out space	40
Whitgreave Junior	Reconfigure teaching space, storage, break-out space	40
Woodfield Infant	Lighting, Learning Walls	40
Woodfield Junior	Lighting, Toilet / Cloak Refurbishment	40
Woodthorne Primary	Linked to suitability / sufficiency audit	40
		<b>640</b>
<b><u>Fire Safety - £ 150,000</u></b>		
Manor Primary	Smoke detection / fire doors	30
Dovecotes Primary	Fire alarm / fire doors	50
Programme to be confirmed in liaison with Fire Service, following agreed inspection		70
		<b>150</b>
<b><u>Schools Access - £80,000</u></b>		
Penn Hall School	Outreach Technology	40
Long Knowle Primary	Access works	10
Lanesfield Primary	Access works	10
Programme to be confirmed in liaison with Schools access strategy group		20
		<b>80</b>

**Appendix L3**

Site	Description	Grant (£000)
<b>Boiler Upgrades - £400,000</b>		
Bantock Primary	Replacement boiler and HWS	60
St Bartholomew's CE Primary	Replacement boiler and controls to Nursery	40
Trinity CE Primary	Replacement boiler and convectors	80
West Park Primary	Replacement boiler and controls	120
Woodfield Infants	Replacement boiler and controls	100
		<b>400</b>
<b>Replacement Heating Pipework / Upgrade Heaters / Controls - £358,000</b>		
Bilston Nursery	Replace gas water heater	7
Christ Church CE Junior	Replacement fan convectors and main	50
D'Eyncourt Primary	Replacement fan convector heaters	10
East Park Primary	Replacement heating pumps	16
Elston Hall Primary	Replace DHW cylinder and kitchen interlock	10
Parkfield Primary	Upgrade HWS kitchen	10
Sprimgdale Junior & Infant	Replacement heating pipework in service ducts	150
St Stephen's CE Primary	Replacement control panel	10
Uplands Junior	Replacement fan convector heaters	45
Villiers Primary	Replacement fan convectors and controls	30
Wodensfield Primary	Replacement fan convector heaters	20
		<b>358</b>
<b>Window Upgrade £200,000</b>		
Castlecroft Primary	Replacement classroom windows	50
Dovecotes Primary	Replacement classroom windows	45
Graiseley Primary	Replacement classroom windows	50
Long Knowle Primary	Replacement classroom windows	25
Wodensfield Primary	Replacement classroom windows	30
		<b>200</b>
<b>Roof Replacement - £375,000</b>		
Eastfield Primary	Replacement roof coverings KS1 and KS2	30
Broadmeadow Nursery	Valley gutter replacement	10
St Thomas' CE Primary School	Replacement roof coverings	40
Whitgreave Infant	Replacement roof coverings	45
Loxdale Primary	Replacement roof coverings	40
St Stephen's CE Primary	Replacement roof coverings	20
Christ Church CE Infant	Replacement roof coverings to Admin	50
Fieldview Primary	Replacement roof covering to corridor	40
Bantock Primary	Roof light replacement	65
Wodensfield Primary	Replacement roof coverings	35
		<b>375</b>
<b>Toilet Upgrade - £80,000</b>		
St Bartholomew's CE Primary	Toilet refurbishment	20
Uplands Junior	Toilet refurbishment	60
		<b>80</b>
<b>Access Road - £15,000</b>		
St Peter's CE / St Edmunds R	Access road repairs	15
		<b>15</b>
<b>Balance of Capital Maintenance - £841,482</b>		
Programme to be confirmed		665
Hill Avenue Primary	Emergency pipework repairs	7
Goldthorn Park Primary	New DPC and floor slab/ drainage	70
Oxley Primary	Replacement boilers	35
Oxley Primary	Removal of single skin extension (Structure failing)	40
Warstones Primary	Structural Works	25
		<b>841</b>
<b>BASIC NEED 2013 - 2015 - £1,133,172</b>		
<b>Primary Expansion Programme</b>		
Schemes to be agreed		1,555
		<b>1,555</b>
<b>2013/14 Programme Total</b>		<b>4,948</b>

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
1	Financial and Budget Management	Ineffective budget management.	Overspend against budget requiring either savings on other projects or additional prudential borrowing having an adverse impact on the Revenue Budget.	2	4	8	A	<ul style="list-style-type: none"> <li>• Monthly monitoring at Service Level and to capital programme working group.</li> <li>• Quarterly monitoring to Cabinet Members.</li> <li>• Capital Programme report.</li> </ul>	Assistant Director Finance	Quarterly
2	Financial and Budget Management	Loss of ICT facilities e.g. due to failure of systems, loss of key personnel and/or disaster recovery arrangements.	Lack of robust financial information on which to set and monitor budgets, leading to increased projected expenditure requiring other project savings to be identified or the need for additional prudential borrowing having an adverse impact on the Revenue Budget.	3	4	12	A	<ul style="list-style-type: none"> <li>• ICT disaster recovery project and arrangements.</li> <li>• Independent project management systems hold information in some instances.</li> </ul>	Assistant Director Finance	Quarterly
3	Financial and Budget Management	Inability to recover all VAT associated with capital expenditure.	Overspend against budget requiring either savings on other projects or additional prudential borrowing having an adverse impact on the Revenue Budget.	4	3	12	A	<ul style="list-style-type: none"> <li>• Close scrutiny of new capital schemes to establish potential VAT implications in order that they can be effectively managed</li> </ul>	Assistant Director Finance	Monthly
4	Income and Funding	Inability to deliver disposal programme due to: affordability of Corporate Schemes preventing release of sites; local community and member opposition to site disposals.	<p>Loss of funding requiring projects to be delayed / stopped, or additional prudential borrowing having an adverse impact on the Revenue Budget.</p> <p>Unable to meet financial commitments e.g. repayment of Regional Infrastructure Funding requiring additional prudential borrowing having an adverse impact on the Revenue Budget.</p>	3	4	12	A	<ul style="list-style-type: none"> <li>• Robust Project Management Systems.</li> <li>• Members Property Group</li> <li>• Reporting to Capital Programme Working Group.</li> </ul>	Assistant Directors	Monthly
5	Income and Funding	Decline in market for land and property resulting in failure to dispose of land or reduced level of receipt.	Reduced level of receipts requiring either a reduction in other areas of the Capital Programme or additional prudential borrowing having an adverse impact on the Revenue Budget.	2	3	6	A	<ul style="list-style-type: none"> <li>• Pro-active management of disposals to maximise receipts, which could include conscious decision to defer sales etc.</li> </ul>	Assistant Director Regeneration	Monthly
6	Income and Funding	Reduction in level of Government funding after announcements made and programme committed.	Legal / political commitment to projects requiring either a reduction in other areas of the Capital Programme or additional prudential borrowing having an adverse impact on the Revenue Budget.	2	4	8	A	<ul style="list-style-type: none"> <li>• Close monitoring of central government policy decisions.</li> <li>• Building in contingency plans within the capital programme.</li> </ul>	Assistant Director Finance	Monthly

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
7	Income and Funding	Inability to deliver outcomes / outputs in accordance with grant / S106 conditions.	Clawback of grant by funding organisations requiring either other project savings or additional prudential borrowing having an adverse impact on the Revenue Budget.	2	4	8	A	<ul style="list-style-type: none"> <li>• Robust project management to monitor outputs / outcomes.</li> <li>• Reality check of business cases to support bids.</li> </ul>	Assistant Director Finance	Monthly
8	Income and Funding	Grant drawn down against ineligible project expenditure.	Clawback of grant by funding organisations requiring either other project savings or additional prudential borrowing having an adverse impact on the Revenue Budget.	1	4	4	A	<ul style="list-style-type: none"> <li>• Careful, detailed monitoring of project expenditure to ensure robust grant claims.</li> </ul>	Assistant Director Finance	Monthly
9	Income and Funding	Availability of borrowing e.g. Central Government capping.	Lack of funding requiring projects to be delayed or stopped.	5	4	20	R	<ul style="list-style-type: none"> <li>• Close monitoring of central government policy decisions.</li> <li>• Building in contingency plans within the Capital Programme.</li> </ul>	Assistant Director Finance	Monthly
10	Income and Funding	Affordability of borrowing.	Lack of funding requiring projects to be delayed or stopped.	3	4	12	A	<ul style="list-style-type: none"> <li>• Building in contingency plans within the Capital Programme.</li> </ul>	Assistant Director Finance	Monthly
11	Third Parties	Contractors ceasing to trade.	Incomplete projects with a need to re-tender for another contractor leading to additional costs requiring either other project savings or additional prudential borrowing having an adverse impact on Revenue Budget.	2	4	8	G	<ul style="list-style-type: none"> <li>• Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the council notice of emerging problems</li> <li>• Due diligence.</li> </ul>	Assistant Directors	Monthly
12	Third Parties	Delegation of programmes to partners e.g. Wolverhampton Homes.	Ineffective budget management.	2	4	8	A	<ul style="list-style-type: none"> <li>• Regular monitoring meetings and clear stipulation regarding information requirements.</li> </ul>	Assistant Directors	Monthly



Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
13	Third Parties	Contract delays.	Increased project costs requiring other project savings or additional prudential borrowing having an adverse effect on the Revenue Budget.	4	3	12	A	• Robust project management.	Assistant Directors	Monthly
14	Third Parties	Lack of contractors bidding for work.	Lack of competition, resulting in increased project costs and reduced VFM.	2	2	4	G	• Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the City Council notice of emerging problems.	Assistant Directors	Monthly
15	Government Policy	Change in government policy requiring capital investment.	Lack of funding requiring other projects to be delayed or stopped or additional prudential borrowing having an adverse impact on the Revenue Budget.	2	4	8	A	• Close monitoring of central government policy decisions. • Building in contingency plans within the Capital Programme.	Assistant Directors	Monthly
16	Service Demands	Change in configuration of services requiring capital investment.	Lack of funding requiring other projects to be delayed or stopped or additional prudential borrowing having an adverse impact on the Revenue Budget.	1	4	4	A	• Building in contingency plans within the Capital Programme.	Assistant Directors	Monthly
17	Service Demands	Demand for service increases due to demographic changes requiring capital investment.	Lack of funding requiring other projects to be delayed or stopped or additional prudential borrowing having an adverse impact on the Revenue Budget.	1	4	4	A	• Close monitoring of service demands to enable the forecasting of pressures. • Building in contingency plans within the Capital Programme.	Assistant Directors	Monthly



# Cabinet (Resources) Panel

## 26 November 2013

<b>Report Title</b>	Treasury Management Activity Monitoring- Mid Year Review 2013/14	
<b>Decision designation</b>	RED	
<b>Cabinet Member with Lead Responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key Decision</b>	Yes	
<b>In Forward Plan</b>	Yes	
<b>Wards Affected</b>	All	
<b>Accountable Strategic Directors</b>	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor Tel Email	Assistant Director Finance 01902 55(6609) <a href="mailto:Mark.Taylor@wolverhampton.gov.uk">Mark.Taylor@wolverhampton.gov.uk</a>
<b>Report has been considered by</b>	Strategic Executive Board	14 November 2013

### Recommendations for noting:

The Cabinet is recommended to note for Council approval, the contents of the report and particularly that:

- (i) Overall the council is continuing to operate within the Prudential and Other Indicators approved by the council, and also within the requirements set out in the council's approved Treasury Management Policy Statement.
- (ii) Revenue savings of £870,000 for the General Fund and £2.8 million for the Housing Revenue Account are forecast from treasury management activities in 2013/14.

- (iii) A mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved by Council in March and September 2013.

## **TREASURY MANAGEMENT ACTIVITY MONITORING- MID YEAR REVIEW 2013/14**

### **1. Purpose**

- 1.1 This report provides a monitoring and progress report on Treasury Management Activity for the second quarter of 2013/14 as part of the mid-year review, in line with the revised Prudential Indicators approved by Council in September 2013.
- 1.2 Overall, the council is continuing to operate within the Prudential and Treasury Management Indicators approved by the council, and also within the requirements set out in the council's approved Treasury Management Policy Statement.
- 1.3 The council's treasury management activities are forecast to deliver savings of £870,000 for the General Fund and £2.8 million for the HRA for 2013/14.
- 1.4 The council has continued to use Capita Asset Services as its treasury management advisors throughout 2013/14.

### **2. Background**

2.1 The treasury management activities of the council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2012. The primary requirements of the Code are the:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the council will seek to achieve those policies and objectives.
- Receipt by Cabinet / Council of an annual strategy report for the year ahead, a mid-year review report and an annual review report of the previous year.
- Delegation by the council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Nomination of the Confident, Capable Council Scrutiny Panel to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2.2 Treasury management in this context is defined as:

"The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.3 The system of controls on local authority capital investment has been in place since 1 April 2004. This replaced the previous complex regulatory framework governing local authority capital expenditure. The current system is one based largely on self-

regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.

2.4 The Cabinet (Resources) Panel receive quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by the council.

2.5 The council continued to use Capita Asset Services, previously known as Sector Treasury Services Limited, as its treasury management advisors throughout 2013/14. Capita provides market data and intelligence on which the council can make decisions regarding all aspects of treasury management activities and in particular, managing the risks associated with investing surplus cash.

### 3. 2013/14 Forecast Outturn

3.1 The forecast outturn for treasury management activities in 2013/14 compared to budget is shown in Table 1 below.

**Table 1 – Treasury Management Budget and Forecast Outturn 2013/14**

	Approved Budget £000	Forecast Outturn £000	Variance £000
General Fund	22,767	21,897	(870)
Housing Revenue Account	15,774	12,996	(2,778)
Total	38,541	34,893	(3,648)

3.2 The strategy to date in 2013/14 has been to maintain cash balances at a reduced level, therefore keeping to a minimum the credit risk incurred by holding investments and to avoid the higher costs of external borrowing compared to interest foregone on cash balances, thereby generating revenue savings.

3.3 Overall a saving of £870,000 for the General Fund and a saving of £2.8 million for the HRA are projected for the year 2013/14.

3.4 Appendix A shows a comparison of the latest estimates of Prudential and Treasury Management Indicators over the medium term period with the equivalent revised figures which were approved by the council in September 2013. Based on the latest capital expenditure forecast the council is currently forecast to breach its self-determined authorised limit for external debt during 2014/15 and beyond. This will be kept under review and if necessary revisited in the quarter 3 update.

3.5 Appendix B shows a summary of the long term cash flow, and incorporates income and expenditure as a result of the General Fund and HRA revenue and capital programmes.

**4. Borrowing Forecast for 2013/14**

- 4.1 The council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.2 Table 2 shows the average rate of interest payable in 2012/13 and forecast for 2013/14.

**Table 2- Average Interest Rate Payable in 2012/13 and 2013/14**

	<b>2012/13 Actual</b>	<b>2013/14 Forecast</b>
Average Interest Rate Payable	4.42%	4.20%

- 4.3 The average rate of interest payable by the council is estimated to fall from 4.42% to 4.20% for 2013/14. New borrowing forecast for the year is expected to be at significantly lower rates as shown in Table 3 below.

**Table 3- Rates available for PWLB borrowing (incl. Certainty rate discount)**

<b>Current Rates</b>	<b>As at 30 September 2013</b>
5 Year Maturity Loan Rate	2.30%
10 Year Maturity Loan Rate	3.58%
25 Year Maturity Loan Rate	4.25%

- 4.4 Each year it is necessary to raise new loans to finance capital expenditure and to replace existing maturing debt. The council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay debt) are used to reduce the external borrowing requirement. Decisions to take borrowing will be made by the Assistant Director Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix C shows the maturity profile of current external borrowing.
- 4.5 Any short term savings made by avoiding new long term external borrowing in 2013/14 and thereafter will also need to be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher. Appendix D includes Capita commentary for quarter two 2013/14 and shows that they have forecast that interest rates for both short and long term borrowing will remain stable up to March 2014. The Assistant Director Finance will continue to keep actual and forecast rates under close review.

- 4.6 The forecast net borrowing requirement for 2013/14 is £120.0 million, as shown in Appendix B. £14.6 million of temporary borrowing has been taken out during quarter two, and £4.4 million of PWLB borrowing repaid. Appendix E shows a detailed breakdown of new loans and repayments made throughout the year.
- 4.7 Appendix F shows a graphical summary of current borrowing by type; fixed and variable as at September 2013.
- 4.8 Appendix G shows details for the disclosure for certainty rate, which will enable the council to submit a return for 2014/15 and thereby secure access to discounted borrowing at 0.20% below normal PWLB rates.

## 5 Investment Forecast for 2013/14

- 5.1 The approach during the year was to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 5.2 Table 4 shows the total amount of surplus funds invested as at 28 June 2013 and 30 September 2013.

**Table 4- Total Amounts Invested 2013/14**

	<b>28 June 2013</b>	<b>30 September 2013</b>
	<b>£000</b>	<b>£000</b>
Business Reserve Accounts	19,916	4
Money Market Funds	22,190	70
	<b>42,106</b>	<b>74</b>
Average cash balance for the year to date	56,728	44,273

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access. This is based on the council's low appetite for risk.
- 5.4 The council's cash flow balances have reduced during the second quarter of the current financial year, moving between a low of £74,000 up to a maximum of £54.0 million and have averaged £44.3 million for the quarter.
- 5.5 Table 5 shows the average rate of interest receivable in 2012/13 and forecast for 2013/14.

**Table 5- Average Interest Rate Receivable in 2012/13 and 2013/14**

	<b>2012/13 Actual</b>	<b>2013/14 Forecast</b>
Average Interest Rate Receivable	0.71%	0.38%

- 5.6 The average rate of interest receivable by the council is estimated to fall significantly from 0.71% to 0.38% for 2013/14. This reduction is due to the significantly reduced interest rates currently available and anticipated throughout the year.
- 5.7 The council will avoid locking into longer term deals while investment rates are at historically low levels. Investment rates are expected to continue to be below long term borrowing rates, in which case, the council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing).
- 5.8 The council manages its investments in-house and invests only in the institutions listed in the council's approved lending list, which is reviewed each time a counterparty is subject to a credit rating amendment. The council's strategy allows for investments for a range of periods from overnight to five years, depending on the council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient liquidity whilst total investment levels are relatively low, most investments have been placed for shorter durations.
- 5.9 The approved Treasury Management Code of Practice sets out the criteria to be used for creating and managing approved counter-party lists and limits. As a result of any changes to credit criteria, the Assistant Director Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix H shows the council's current specified investments lending list.
- 5.10 In quarter two 2013/2014 the Assistant Director Finance has not been required to use his discretion to temporarily exceed any upper limits with approved counter-parties.

## **6. Financial Implications**

- 6.1 The financial implications are discussed in the body of this report.

[SM/11112013/Z]

## **7. Legal Implications**

- 7.1 Treasury Management relates to the management of the council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.
- 7.2 The area is heavily regulated. The Local Government and Housing Act 1989 regulate the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators and advice on Treasury Management Strategy. Investment strategy is regulated by 'DCLG Guidance on Local Government Investments' issued initially in 2004 and re-issued in 2010. Part 2 of this Guidance is statutory guidance.

[JH/071113/Z]



**8. Environmental Implications**

8.1 This report has no environmental implications.

**9. Equality Implications**

9.1 This report has no equality implications.

**10. Background Papers**

Block 10 and 11, Wolverhampton Interchange, Report to Cabinet, 18 September 2013

Annual Treasury Report 2012/13 and Treasury Management Activity Monitoring-  
Quarter One 2013/14, Report to Cabinet, 24 July 2013

Treasury Management Strategy 2013/14, Report to Cabinet, 26 February 2013

**11. Schedule of Appendices**

<b>App</b>	<b>Title</b>	<b>Page</b>
A	PI and TMI	8
B	Long term cash flow summary	12
C	Maturity rate profile	13
D	Capita Commentary Q2 2013/14	14
E	Borrowing and Repayments	17
F	Borrowing by type graphical summary	18
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H	Lending list	20

**APPENDIX A**

**DEBT AND TREASURY MANAGEMENT - PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS**

**Prudential Indicators (PI)**

**PI for Affordability** - These indicators are used to ensure the total capital investment of the council is within a sustainable limit and the impact of these decisions are considered with regard to acceptable council tax and housing rent levels.

**PI 1 - Estimates and Actual ratio of financing costs to net revenue stream.**

This represents the cost of financing capital expenditure as a % of net revenue for both the General Fund and HRA.

	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Forecast	Forecast	Forecast
General Fund	9.3%	12.3%	12.9%
HRA	13.3%	12.9%	11.8%

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
8.5%	10.6%	11.7%
13.6%	12.6%	11.8%

**PI 2 - Estimates of the incremental impact of capital investment decisions on the council tax and housing rents.**

The council could consider different options for its capital investment programme in relation to their different impact on the council tax and housing rents. Negatives reflect a reduction in total capital expenditure.

	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Forecast	Forecast	Forecast
	£	£	£
For Band D council tax (After council tax reform)			
Implications of the Capital Programme for Year	103.15	145.53	163.21
Financial Year Impact	103.15	145.53	163.21
For average weekly housing rents			
Implications of the Capital Programme for Year	0.91	1.67	1.75
Financial Year Impact	0.91	1.67	1.75
For Band D council tax (After council tax reform)			
Implications of the Capital Programme for Year	-	12.25	12.25
Marginal Impact to 2013/14 Treasury Management Strategy	-	12.25	12.25
For average weekly housing rents			
Implications of the Capital Programme for Year	-	-	-
Marginal Impact to 2013/14 Treasury Management Strategy	-	-	-
For Band D council tax (Before council tax reform)			
Implications of the Capital Programme for Year	80.22	113.18	126.93
Financial Year Impact	80.22	113.18	126.93
For Band D council tax (Before council tax reform)			
Implications of the Capital Programme for Year	-	9.53	9.53
Marginal Impact to 2013/14 Treasury Management Strategy	-	9.53	9.53

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£	£	£
103.38	213.70	245.98
103.38	213.70	245.98
2.71	4.59	5.27
2.71	4.59	5.27
(33.04)	37.58	41.42
(33.04)	37.58	41.42
0.87	1.73	2.33
0.87	1.73	2.33
80.41	166.21	191.32
80.41	166.21	191.32
(25.69)	29.23	32.22
(25.69)	29.23	32.22

**PI 3 - Estimates and actual capital expenditure.**

Full details of capital expenditure plans and funding can be found in the Quarter Two Capital Budget Monitoring report.

	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Forecast	Forecast	Forecast
	£M	£M	£M
General Fund	137.040	67.287	21.388
HRA	52.359	43.271	23.621
	189.399	110.558	45.009

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
156.323	97.738	28.178
75.255	57.928	30.477
232.819	156.828	59.282

APPENDIX A

**DEBT AND TREASURY MANAGEMENT - PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS**

<b>PI 4 - Estimates and actual capital financing requirement General Fund and HRA.</b>			
The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.			
	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Forecast	Forecast	Forecast
	£M	£M	£M
General Fund	472.390	481.236	473.693
HRA	318.992	314.669	299.326
	791.382	795.905	773.019

<b>As at September 2013</b>		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
485.152	574.352	573.362
339.311	348.960	341.259
824.463	923.312	914.621

<b>PI 5 - Authorised limit for external debt.</b>			
These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI).			
	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Limit	Limit	Limit
	£M	£M	£M
Borrowing	838.982	865.165	871.073
Other Long Term Liabilities	66.815	113.975	102.951
Total	905.797	979.140	974.024

<b>As at September 2013</b>		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
839.116	931.539	960.236
63.186	109.740	98.092
902.302	1,041.279	1,058.328

<b>PI 6 - Operational boundary for external debt.</b>			
This is based on the same estimates as the authorised limit but directly reflects the Assistant Director Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included.			
	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Limit	Limit	Limit
	£M	£M	£M
Borrowing	820.095	856.151	868.089
Other Long Term Liabilities	66.815	104.293	102.951
Total	886.910	960.444	971.040

<b>As at September 2013</b>		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
839.116	931.539	960.236
63.186	109.740	98.092
902.302	1,041.279	1,058.328

<b>PI 7 - HRA limit on indebtedness.</b>			
This maximum debt limit has been set by Government as part of the self-financing regime and is compared to the HRA capital financing requirement.			
	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Forecast	Forecast	Forecast
	£M	£M	£M
HRA Debt Limit	356.771	356.771	356.771
HRA Capital Financing Requirement*	318.992	314.669	299.326
Headroom	37.779	42.102	57.445

<b>As at September 2013</b>		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
356.770	356.770	356.770
339.311	348.960	341.259
17.459	7.810	15.511

**APPENDIX A**

**DEBT AND TREASURY MANAGEMENT - PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS**

**PI for Prudence** - Ensuring that external debt is sustainable and compliance with good professional practice are essential features of prudence.

**PI 8a - Gross debt and the capital financing requirement.**

"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years". This new indicator by CIPFA replaces PI 8 net debt and the capital financing requirement from 2013/2014 onwards.

	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Forecast	Forecast	Forecast
	£M	£M	£M
Forecast Capital Financing Requirement at end of Second Year	791.382	795.382	795.382
Gross Debt	617.330	652.134	662.730
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
923.312	923.312	923.312
681.246	810.540	837.272
Yes	Yes	Yes

**PI 9 - Has the local authority adopted the CIPFA Treasury Management in the Public Services: Code of Practice.** Yes

**Treasury Management Indicators (TMI)**

**TMI 2 - Upper limits on fixed interest and variable interest exposures.**

These relate to the levels of net outstanding principal sums exposed to fixed and variable interest rates.

	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Limit	Limit	Limit
Upper limit for fixed rate	100%	100%	100%
Upper limit for variable rate	20%	20%	20%

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
83%	85%	86%
17%	15%	14%

**TMI 3 - Upper and lower limits to the maturity structure of borrowing.**

These limits relate to the % of fixed rate debt maturing.

	Approved by Cabinet 18 September 2013		
	Upper Limit	Lower Limit	March 2013 Forecast
	Under 12 months	10%	0%
12 months and within 24 months	15%	0%	6.34%
24 months and within 5 years	20%	0%	13.34%
5 years and within 10 years	20%	0%	4.12%
10 years and above	90%	50%	66.91%

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast Borrowing	Forecast Borrowing	Forecast Borrowing
0.00%	4.39%	4.19%
10.35%	4.39%	0.00%
0.00%	0.00%	0.00%
3.36%	3.80%	4.61%
86.29%	87.42%	91.20%

**TMI 4 - Upper limits to the total of principal sums invested longer than 364 days.**

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy).

	Approved by Cabinet 18 September 2013		
	2013/2014	2014/2015	2015/2016
	Limit	Limit	Limit
	£M	£M	£M
Upper limit for more than 364 days	35.000	35.000	35.000

As at September 2013		
2013/2014	2014/2015	2015/2016
Forecast	Forecast	Forecast
£M	£M	£M
35.000	35.000	35.000

**Long Term Cash Flow Summary**

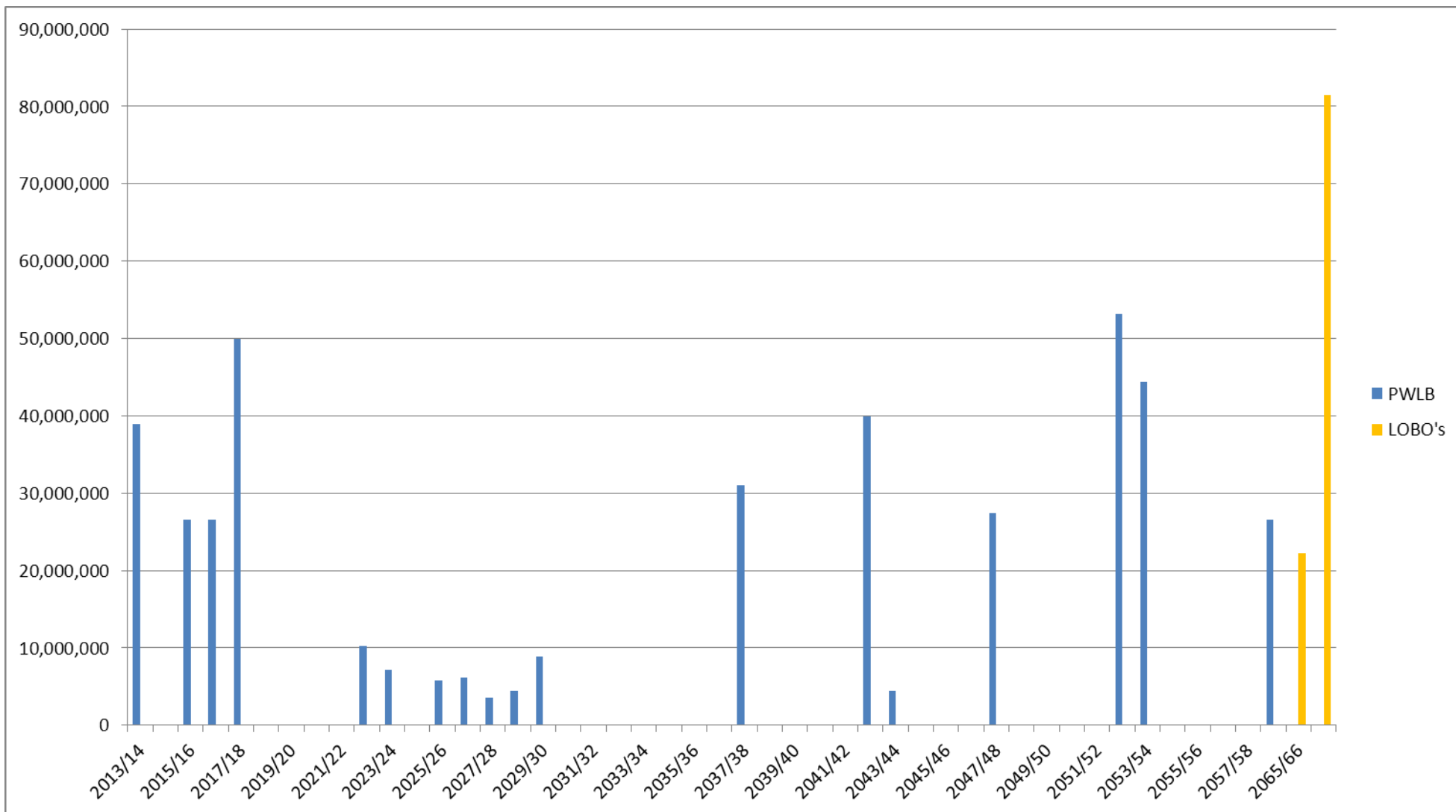
FREQUENCY	2013	2014	2015	2016	2017	2018	2019
	£M	£M	£M	£M	£M	£M	£M
<b>GENERAL FUND</b>							
<b>Cash Inflows</b>							
Council Tax	73.297	75.129	77.008	78.933	80.906	82.929	
Revenue Support Grant & Top Up Grant	139.177	121.274	109.151	103.506	92.186	87.768	
Business Rates	35.509	36.704	39.292	41.030	43.474	42.540	
Other Government Grants	363.250	362.850	358.953	359.268	359.151	359.151	
Fees and Charges	50.000	50.000	50.000	50.000	50.000	50.000	
Interest Receivable	0.064	0.064	0.064	0.064	0.064	0.064	
Less: Provision for Bad Debts	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	
<b>Total Cash Inflows</b>	<b>660.922</b>	<b>645.646</b>	<b>634.093</b>	<b>632.426</b>	<b>625.406</b>	<b>622.077</b>	
<b>Cash Outflows</b>							
Total Revenue Expenditure	(615.160)	(621.650)	(633.337)	(647.581)	(659.514)	(669.947)	
Adjustments for Non-Cash Transactions	(25.398)	(23.053)	(21.227)	(18.706)	(16.656)	(14.856)	
Savings Achieved	-	26.693	48.933	64.844	83.797	97.559	
Adjusted Revenue Expenditure	(640.558)	(618.010)	(605.631)	(601.443)	(592.373)	(587.244)	
Interest Payable	(9.933)	(11.933)	(13.933)	(15.933)	(17.933)	(19.933)	
Interest Payable Adjustment	1.632	1.490	1.519	2.031	2.673	3.278	
<b>Total Cash Outflows</b>	<b>(648.859)</b>	<b>(628.454)</b>	<b>(618.045)</b>	<b>(615.345)</b>	<b>(607.633)</b>	<b>(603.899)</b>	
<b>Net Cash Inflow/(Outflow)</b>	<b>12.063</b>	<b>17.193</b>	<b>16.048</b>	<b>17.081</b>	<b>17.773</b>	<b>18.178</b>	
<b>Non-Cash Transactions</b>							
Depreciation of Fixed Assets	-	-	-	-	-	-	
Provision for Redemption of Debt	(13.900)	(13.900)	(13.900)	(13.900)	(13.900)	(13.900)	
Adjustment for Premiums and Discounts	-	-	-	-	-	-	
Revenue Contributions to Capital	(0.203)	(0.548)	(0.150)	(0.150)	(0.200)	-	
Other Transfers (to)/from Reserves	(0.255)	(0.255)	(0.479)	(1.000)	(1.000)	(1.000)	
<b>Corporate Use of Reserves</b>							
Transfer of Collection Fund Surplus	0.211	(1.000)	-	-	-	-	
Use of General Reserves	3.716	-	-	-	-	-	
Transfer of Provisional Surplus to General Balance	(1.632)	(1.490)	(1.519)	(2.031)	(2.673)	(3.278)	
<b>Total Non-Cash Transactions</b>	<b>(12.063)</b>	<b>(17.193)</b>	<b>(16.048)</b>	<b>(17.081)</b>	<b>(17.773)</b>	<b>(18.178)</b>	
<b>BALANCE</b>	-	-	-	-	-	-	

<b>HOUSING REVENUE ACCOUNT</b>							
<b>Cash Inflows</b>							
Rents and Service Charges	Weekly	93.965	97.866	100.287	102.475	104.685	107.071
Less: Provision for Bad Debts	Weekly	(1.724)	(2.000)	(2.075)	(2.148)	(2.223)	(2.301)
Non-dwelling rents	Monthly	1.591	1.638	1.667	1.696	1.726	1.757
Investment Income	Monthly	0.002	0.001	0.001	-	-	-
<b>Total Cash Inflows</b>		<b>93.834</b>	<b>97.505</b>	<b>99.880</b>	<b>102.023</b>	<b>104.188</b>	<b>106.527</b>
<b>Cash Outflows</b>							
Management and Maintenance Expenditure	Monthly	(45.399)	(45.380)	(45.509)	(45.639)	(45.771)	(45.907)
Interest Payable	Monthly	(16.131)	(17.024)	(17.119)	(16.741)	(16.369)	(15.924)
Interest Payable Adjustment		2.448	2.234	2.278	3.047	4.010	4.917
<b>Total Cash Outflows</b>		<b>(59.082)</b>	<b>(60.170)</b>	<b>(60.350)</b>	<b>(59.333)</b>	<b>(58.130)</b>	<b>(56.914)</b>
<b>Net Cash Inflow/(Outflow)</b>		<b>34.752</b>	<b>37.335</b>	<b>39.530</b>	<b>42.690</b>	<b>46.058</b>	<b>49.613</b>
<b>Non-Cash Transactions</b>							
Depreciation of Fixed Assets		(21.908)	(21.861)	(21.807)	(21.752)	(21.695)	(21.639)
Provision for Redemption of Debt		(10.528)	(13.362)	(15.763)	(18.223)	(20.539)	(22.148)
Additional Provision for Redemption of Debt		(2.448)	(2.234)	(2.278)	(3.047)	(4.010)	(4.917)
Adjustment for Premiums and Discounts		0.004	0.114	0.293	0.287	0.120	0.011
Use of Reserves		0.128	0.008	0.025	0.045	0.066	(0.920)
<b>Total Non-Cash Transactions</b>		<b>(34.752)</b>	<b>(37.335)</b>	<b>(39.530)</b>	<b>(42.690)</b>	<b>(46.058)</b>	<b>(49.613)</b>
<b>BALANCE</b>		-	-	-	-	-	-

<b>CAPITAL PROGRAMME</b>							
Total expenditure		(232.819)	(156.828)	(59.282)	(50.855)	(43.020)	-
<b>Net Cash Outflow</b>		<b>(232.819)</b>	<b>(156.828)</b>	<b>(59.282)</b>	<b>(50.855)</b>	<b>(43.020)</b>	-
Grants & Contributions		104.857	40.575	8.687	8.687	5.587	-
Capital Receipts		5.441	1.421	1.173	1.154	1.160	-
<b>Net Cash Inflow</b>		<b>110.298</b>	<b>41.996</b>	<b>9.860</b>	<b>9.841</b>	<b>6.747</b>	-
<b>Non-cash transactions</b>							
Prudential Borrowing		96.461	92.423	28.697	18.870	15.510	-
Revenue Contributions		0.203	0.548	0.150	0.150	0.200	-
Major Repairs Reserve		25.857	21.861	20.575	21.994	20.563	-
<b>Total Non-cash Transactions</b>		<b>122.521</b>	<b>114.832</b>	<b>49.422</b>	<b>41.014</b>	<b>36.273</b>	-
<b>BALANCE</b>		-	-	-	-	-	-

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£M	£M	£M	£M	£M	£M
<b>Opening Cash</b>	<b>4.559</b>	<b>9.877</b>	<b>9.573</b>	<b>9.124</b>	<b>7.880</b>	<b>35.438</b>
Total Expenditure	(940.760)	(845.452)	(737.677)	(725.533)	(708.783)	(660.813)
Total Income	865.054	785.147	743.833	744.290	736.341	728.604
Repayment of Borrowing	(38.976)	-	(26.605)	(50.000)	-	-
<b>Closing Cash</b>	<b>(110.123)</b>	<b>(50.427)</b>	<b>(10.876)</b>	<b>(22.120)</b>	<b>35.438</b>	<b>103.229</b>
Non-cash Transactions	75.706	60.304	(6.156)	(18.757)	(27.558)	(67.791)
Balance	(0.000)	0.000	-	-	(0.000)	0.000
<b>Borrowing Requirement</b>	<b>120.000</b>	<b>60.000</b>	<b>20.000</b>	<b>30.000</b>	-	-

**EXTERNAL BORROWING: MATURITY PROFILE**



**ECONOMIC BACKGROUND**

The following economic background has been provided by the Council's Treasury Advisors, Sector

The quarter ended 30 September saw:

- Indicators suggested that the economic recovery accelerated;
- Household spending growth remained robust;
- Inflation fell back towards the 2% target;
- The Bank of England introduced state-contingent forward guidance;
- 10-year gilt yields rose to 3% at their peak and the FTSE 100 fell slightly to 6460;
- The Federal Reserve decided to maintain the monthly rate of its asset purchases.

**Interest rate forecast**

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>5yr PWLB rate</b>	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%
<b>10yr PWLB rate</b>	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%
<b>25yr PWLB rate</b>	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%
<b>50yr PWLB rate</b>	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%

Capita Asset Services undertook a review of its interest rate forecasts in late September as a result of an increase in confidence in economic recovery, chiefly in the US, but more recently, also in the UK and Eurozone. The latest forecast now includes a first increase in Bank Rate in quarter 3 of 2016 (previously quarter 4).

**Our forward view**

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely during the remainder of 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds. Near-term, there is some residual risk of further QE - if there is a dip in strong growth or if the MPC takes action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years. This could cause shorter-dated gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The failure in the US, (at the time of writing), over passing a Federal budget for the new financial year starting on 1 October, and the expected tension over raising the debt ceiling in mid October, could also see bond yields temporarily dip until any binding agreement

is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed could cause bond yields to rise.

The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

Downside risks currently include:

- The conflict in the UK between market expectations of how quickly unemployment will fall as opposed to the Bank of England's forecasts
- Prolonged political disagreement over the US Federal Budget and raising the debt ceiling
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations.
- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.



## APPENDIX D

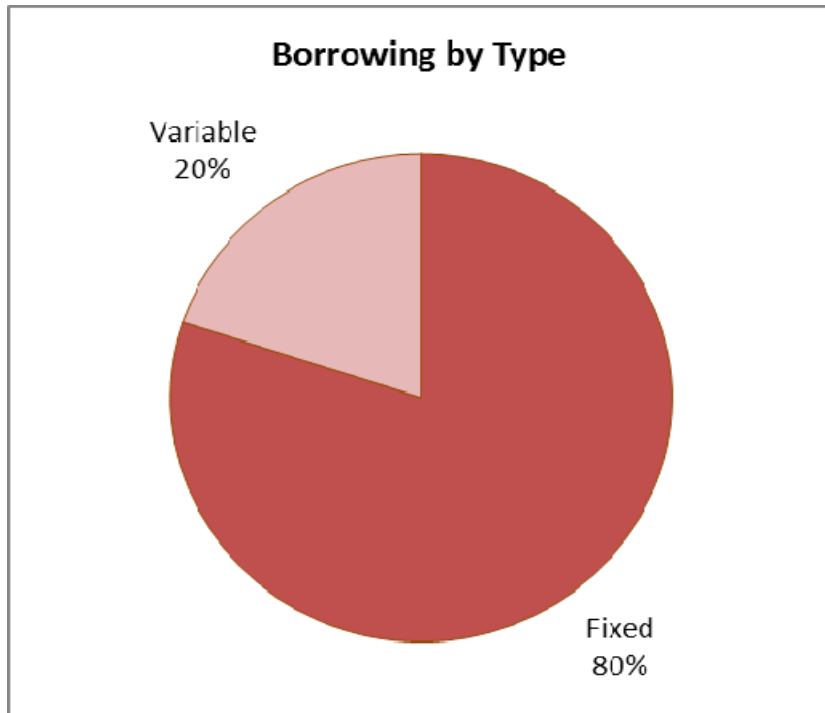
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth which could result in the ratio of total government debt to GDP to rise to levels that undermine investor confidence in the UK and UK debt.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.

**BORROWING AND REPAYMENTS TO DATE IN 2013/2014**

	<b>Maturity Date</b>	<b>Amount (£000)</b>	<b>Length</b>	<b>Interest Rate</b>	<b>Full Year Interest (£000)</b>
<b>2013/14 Repayments-</b>					
PWLB Fixed Maturity			years		
465183	11/09/2013	4,434.0	25	9.500%	421.2
		<b>4,434.0</b>		<b>9.500%</b>	<b>421.2</b>
<b>2013/14 Borrowing-</b>					
Temporary Loans			days		
Greater Manchester Pension Fund	03/01/2014	14,600.0	95	0.400%	15.2
		<b>14,600.0</b>		<b>0.400%</b>	<b>15.2</b>

**BORROWING: GRAPHICAL SUMMARY**

As at 30 September 2013



**CERTAINTY RATE DISCLOSURE**

<b>Certainty Rate</b>			
This table details the information that is required to enable the Council to submit a return for 2013/14.			
	<b>2013/14 Estimate £M</b>	<b>2014/15 Estimate £M</b>	<b>2015/16 Estimate £M</b>
<b>Net Borrowing Requirement:</b>			
Borrowing to Finance approved Capital Expenditure	98.926	92.423	28.697
Existing Maturity Loans to be Replaced During the Year	38.977	-	26.605
Less:			
Minimum Revenue Provision for Debt Repayment	(12.160)	(15.914)	(19.015)
Voluntary Debt Repayment	(10.963)	(14.541)	(16.430)
	(23.123)	(30.455)	(35.445)
Loans Replaced Less Debt Repayment	15.854	(30.455)	(8.840)
Net Advance Requirement	114.780	61.968	19.857

**Wolverhampton City Council**  
**2013/14 Specified Investments Lending List as at 30 September 2013**

<b>Institution</b>	<b>Country (Sovereign Rating)</b>	<b>Limit £m</b>	<b>Term Limit</b>
Australia & New Zealand Banking Group Ltd	Australia (AAA)	10	6 mths
Bank Nederlandse Gemeenten	Netherlands (AAA)	20	12 mths
Bank of Montreal	Canada (AAA)	10	6 mths
Bank of Nova Scotia	Canada (AAA)	10	6 mths
Canadian Imperial Bank of Commerce	Canada (AAA)	10	6 mths
Clearstream Banking	Luxembourg (AAA)	20	12 mths
Commonwealth Bank of Australia	Australia (AAA)	10	6 mths
Boerenleenbank BA	Netherlands (AAA)	10	6 mths
DBS Bank Ltd	Singapore (AAA)	10	6 mths
Hong Kong and Shanghai Banking Corporation	Hong Kong (AA+)	10	6 mths
HSBC Bank plc	UK (AAA)	10	6 mths
HSBC Bank USA	USA (AAA)	5	3 mths
National Australia Bank Ltd	Australia (AAA)	10	6 mths
Nordea Bank AB	Sweden (AAA)	10	6 mths
Nordea Bank Finland plc	Finland (AAA)	5	3 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	20	12 mths
Royal Bank of Canada	Canada (AAA)	10	6 mths
Standard Chartered Bank	UK (AAA)	10	6 mths
Svenska Handelsbanken AB (35 Day Notice a/c)	Sweden (AAA)	10	6 mths
Toronto Dominion Bank	Canada (AAA)	20	12 mths
United Overseas Bank Ltd	Singapore (AAA)	20	12 mths
Westpac Banking Corporation	Australia (AAA)	10	6 mths
<b>Nationalised Banks</b>			
<b>Lloyds Banking Group plc</b>			
Bank of Scotland plc (Corporate Instant Access)	UK (AAA)	10	3 mths
Lloyds TSB Bank plc	UK (AAA)	10	3 mths
<b>Royal Bank of Scotland Group plc</b>			
National Westminster Bank plc (Call a/c)	UK (AAA)	10	3 mths
The Royal Bank of Scotland plc	UK (AAA)	10	3 mths
Ulster Bank Ltd	UK (AAA)	10	3 mths
<b>Money Market Funds</b>			
<b>Fund Rating</b>			
Invesco Aim STIC Account	Fitch AAmmf	20	Instant Access
Ignis Sterling Liquidity Fund	Fitch AAmmf	20	Instant Access
Prime Rate Sterling Liquidity Fund	Fitch AAmmf	20	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20	Instant Access
Scottish Widows Sterling Liquidity Fund	Moody's Aaa-mf	20	Instant Access

**Non-rated Institutions**

County Councils, London Boroughs, Metropolitan Districts and Unitary Authorities - limits £6m and 12 months.

Shire District Councils, Fire and Civil Defence Authorities, Passenger Transport Authorities and Police Authorities - limits £3m and 12 months.



# Cabinet (Resources) Panel

26 November 2013

<b>Report title</b>	Empty Property Strategy – compulsory purchase of 8 Mandale Rd, Fallings Park, Wolverhampton WV10 9RR	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson Economic Regeneration and Prosperity	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	Bushbury South and Low Hill	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Education and Enterprise, Housing Services	
<b>Accountable officer(s)</b>	Natalie Healy	Housing Improvement Officer
	Tel	01902 550554
	Email	natalie.healy@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Cabinet (Resources) Panel only	26 <sup>th</sup> November 2013

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## Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended:

- i) To make the following Compulsory Purchase Order under Section 17 of Part 2 of the Housing Act 1985:

The Wolverhampton City Council (8 Mandale Road, Fallings Park, Wolverhampton, WV10 9RR) Compulsory Purchase Order 2013.

- ii) To authorise the Strategic Director for Education and Enterprise on behalf of the council to:
  - a) Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the Order including the publication

and service of all Notices and the presentation of the council's case at any Public Inquiry.

- b) Acquire interests in the land within the Order either compulsorily or by agreement before or after making the Order.
- c) Approve agreements with land owners setting out the terms for the withdrawal of objections to the Order, and/or making arrangements for re-housing or relocation of any occupiers.
- d) Approve to the making of a General Vesting Declaration.
- e) Approve the disposal of the property by auction, tender or private treaty.

## **1.0 Purpose**

- 1.1 The purpose of this report is to request the Panel to authorise the making of a Compulsory Purchase Order under Section 17 of Part 2 of the Housing Act 1985 in respect of 8 Mandale Road, Wolverhampton and for negotiations to continue with any established interested parties in advance of confirmation of the Order as appropriate.
- 1.2 Following confirmation of the Order, approval is sought for the making of a General Vesting Declaration.
- 1.3 Approve the disposal of the property by auction, tender or private treaty subject to the outcome of the Compulsory Purchase Order and General Vesting Declaration.
- 1.4 This decision is in support of Wolverhampton City Council's Empty Property Strategy 2010-2015.

## **2.0 Background**

- 2.1 The property, highlighted on the attached map is a three bedroom semi-detached property and has been empty since February 2013, following the death of the owner. The estate is not registered under the Land Registration Act and was identified for action following a referral from Social Services in April 2013. The Empty Property team also received complaints in August 2013, regarding the deteriorating condition of the property and very overgrown rear garden.
- 2.2 The council's Planning Enforcement team served a Section 215 Notice on the owner occupier in 2011, due to the visual detriment the property and land was causing. The owner was unable to comply due to no available finances, which resulted in the council undertaking works in default and a charge of £10k remains outstanding against the property.
- 2.3 Social Services were able to trace a relative of the owner following further investigations. The relatives of the deceased owner have confirmed in writing they have no intention of dealing with the property and the Empty Property team has been instructed not to contact them to open negotiations.
- 2.4 As the council's attempts to open informal negotiations with relatives has not resolved the situation or brought about a voluntary solution; it is now considered necessary to continue with formal action under the Empty Property Strategy as a resolution.
- 2.5 The principle of establishing a revolving fund to drive forward the Private Sector Empty Property Strategy was approved by Cabinet on 11 January 2006. The revolving fund provides for properties that are consistent with the strategy to be acquired under compulsory purchase powers, marketed for sale and brought back into residential occupation. The arrangements proposed for the property at 8 Mandale Road are consistent with that strategy. Should the Compulsory Purchase Order be confirmed in favour of the council, the council would seek to dispose of the property by tender, auction



or private treaty. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit.

### **3.0 Financial implications**

- 3.1 The Housing Capital Programme approved by Council on 11 July 2012 includes provision over the medium term for the Empty Property Strategy. In the event of a Compulsory Purchase Order being made resulting in the council acquiring the property, the costs will be met from this provision.
- 3.2 There are no exceptional circumstances in the case of 8 Mandale Road, Wolverhampton. A Notice under Section 215 of the Town and Country Planning Act 1990 to tidy the buildings and land resulted in the council carrying out works in default, which resulted in an outstanding charge and it will therefore not be necessary to pay the additional statutory 7.5% compensation payment should the Order be confirmed.

[CF/11112013/G]

### **4.0 Legal implications**

- 4.1 Section 17 of the Housing Act 1985 empowers local housing authorities to compulsorily acquire land, houses or other properties for the provision of housing accommodation. However the acquisition must achieve a qualitative or quantitative housing gain. In order to make a Compulsory Purchase Order under this power and achieve successful confirmation, the council will need to show compliance with the requirements of the relevant statutory provision and circular 06/2004 Compulsory Purchase and the Crichel Down Rules. Where there are objections to a Compulsory Purchase Order the matter may go forward to a public inquiry and specialist Counsel may need to be engaged to present the council's case.
- 4.2 Article 1 of Protocol 1 of the Human Rights Act 1988 guarantees peaceful enjoyment of possessions and would be engaged by the making of a CPO. However, the contents of this report and the actions recommended are considered to be proportional and compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.

[EB/07112013/L]

### **5.0 Equalities implications**

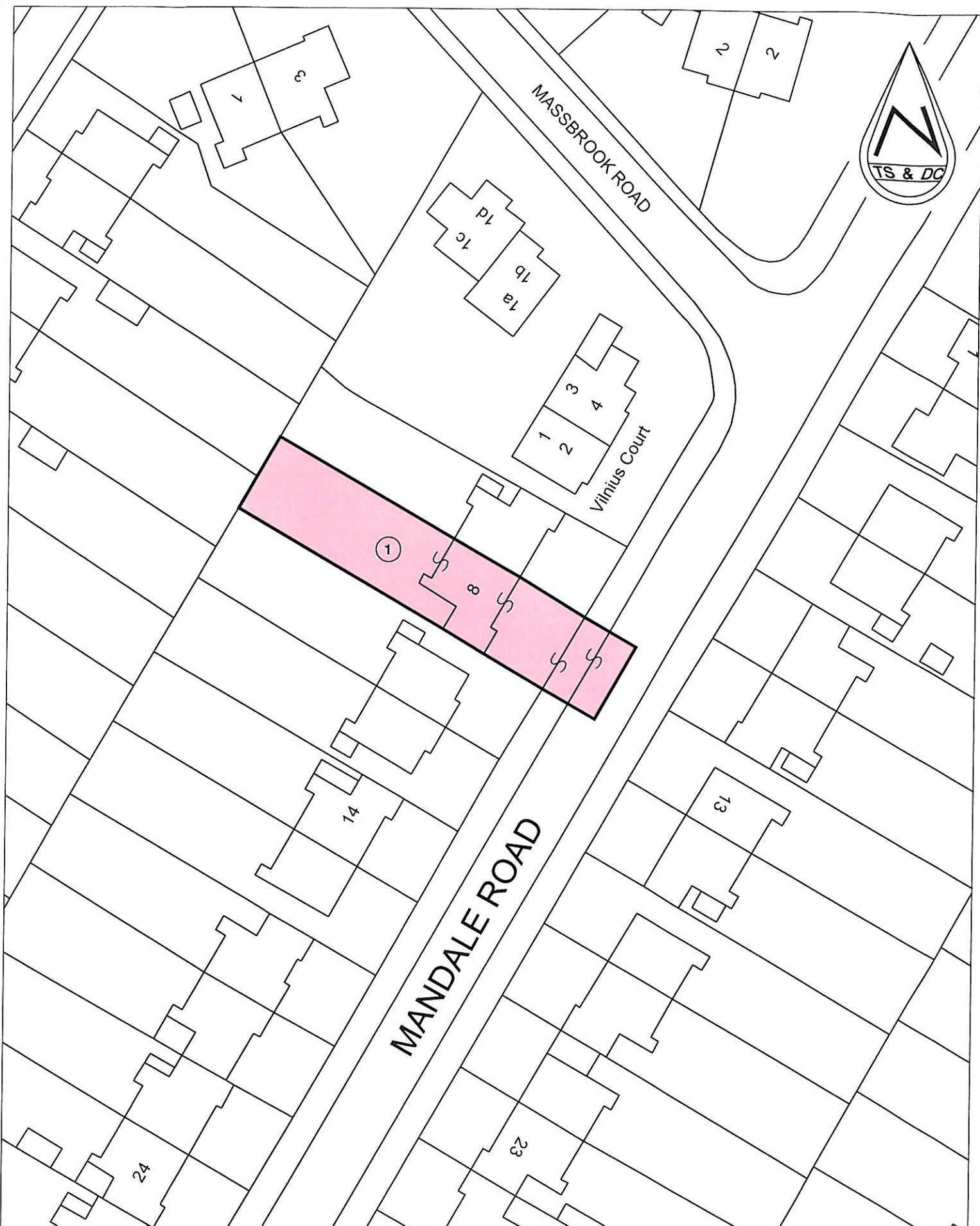
- 5.1 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed and this does not indicate any adverse implications. Bringing an empty property back into use will improve the visual amenity of the area and can make the area more welcoming to some groups covered by the Equality Act 2010, in doing so this will promote participation in public life.

## **6.0 Environmental implications**

6.1 This report has evidenced the neighbourhood sustainability impact and environmental blight that a long term dilapidated empty property can have in a locality. It will allow a long term empty property to be refurbished providing much needed sustainable accommodation as highlighted in the Housing Needs Survey (2007) and remove a potential magnet for anti-social behaviour and environmental blight. This will improve the appearance of the neighbourhood, enhancing property conditions and contribute to the regeneration of the City.

## **7.0 Schedule of background papers**

- An Action Plan to Deliver the Empty Property Strategy 11/01/06;
- Private Sector Empty Property Strategy 2010-2015;
- Wolverhampton Housing Needs Survey 2007.



① AREA COLOURED PINK = 367.48m<sup>2</sup> OR THEREABOUTS

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date	October 2013
scales	1:500
drawn by	AJP
dwg. no.	Mandale Road 8.dwg

THE MAP REFERRED TO IN  
THE WOLVERHAMPTON CITY COUNCIL  
(8 Mandale Road)  
COMPULSORY PURCHASE ORDER 2013

**Wolverhampton City Council**  
Director of Education and Enterprise  
Civic Centre, St. Peter's Square, Wolverhampton  
Tel. (01902) 556556





30/08/2013 10:06 AM

8 MANDALE ROAD





# Cabinet (Resources) Panel

26 November 2013

<b>Report title</b>	Regional Growth Fund and European Regional Development Fund- Approval of Collaboration Agreements	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson Economic Regeneration and Prosperity	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Strategic Projects and Funding	
<b>Accountable officer(s)</b>	Heather Clark Tel Email	Strategic Projects and Funding Manager 01902 555614 heather.clark@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	<b>Strategic Executive Board</b>	<b>14<sup>th</sup> November 2013</b>

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## Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

### Approve the approach to Collaboration Agreements in the Black Country

1. To approve specific collaboration agreements where funds are in the process of being secured to enable delivery of the Growing Priority Sectors and Growth Factory projects and delegate authority to the Chief Legal Officer to execute the final collaboration agreement.
2. Agree that the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director Education and Enterprise and Legal and Finance representatives, be authorised to approve the terms of future collaboration agreements in conjunction with other Black Country Local Authorities and Black Country Consortium.

## Approve the approach to Accountable Body Status in the Black Country

3. Agree Wolverhampton City Council act as accountable body for the Growth Factory and entering into an information sharing agreement with Black Country Partners.

### 1. Purpose

- 1.1 The purpose of the report is to draw to Councillors' attention opportunities to attract external resources to help achieve our economic objectives, to agree for Wolverhampton to act as accountable body for the Growth Factory and to enter into collaboration and information sharing agreements.

### 2. Background

- 2.1 Increasingly economic development and regeneration funding has to be accessed via the Black Country Local Economic Partnership (LEP) route. Preparation is underway for the next round of European Structural Funding and the Local Growth Fund. However there are immediate opportunities for the Black Country under the Regional Growth Fund and current European Regional Development Fund programmes.

### 3. Black country projects

- 3.1 This report relates to two Black Country projects:
  - **Growing Priority Sectors** provides funding of between £50,000 and £1 million for Black Country small and medium enterprises operating in our key local sectors. Two bids are being submitted for a total of £7 million, £4 million from Regional Growth Fund round 4 and £3 million from the European Regional Development fund. This project will contribute to the City Strategy result to increase net jobs by increasing business GVA and productivity. **Project outputs are:** Creating and safeguarding 533 jobs across the Black Country and creating or refurbishing 2,000 sq m of commercial floorspace.
  - **Black Country Growth Factory** will both coordinate all local business support as well as supporting SMEs in High Value Manufacturing to grow through a collaboration of local and national business support agencies, including MAS, UKTI and Growth Accelerator. It will provide customised support to address the specific needs of local businesses and enable them to compete and grow. £4 million is being sought from Regional Growth Fund City Deal wave 2 for 2014/15. This project will contribute to the City Strategy result to increase net jobs. **Project outputs are:** Jobs Created – 346, Jobs Safeguarded – 336, Businesses Engaged – 6125.

Full details of these projects are provided in appendix A.

#### **4. Collaboration agreements**

- 4.1 Collaboration agreements are an agreement between two or more organisation setting out the nature of their working relationship.
- 4.2 The Regional Growth Fund (RGF) is a £3.2 billion fund managed by the Department for Business Innovation and Skills. It is in its fifth round of offering grants of £1 million and above to companies and private sector led partnerships to create jobs, stimulating economic growth and sustainable development.
- 4.3 The Black Country via the Black Country LEP successfully bid to round 3 of the Regional Growth Fund for £11 million to operate a grant programme targeting businesses that do not individually meet the Regional Growth Fund threshold of £1 million, but that meet all other funding criteria and are operating in the Black Country priority economic sectors. The programme is called Growing Priority Sectors. This programme is already heavily oversubscribed by Black Country businesses and subsequent applications to extend the scheme have been made to round 4 of the Regional Growth Fund and the West Midlands European Regional Development Fund (ERDF) Programme 2007-13. This would increase the funding available to Black Country businesses via the Growing Priority Sectors programme from the initial £11 million to £19 million. The Council has been asked to seek approval to enter into a collaboration agreement to share risks across the Black Country authorities.
- 4.4 For the Black Country Growth Factory, Wolverhampton is asking each Black Country local authority to sign a collaboration agreement enabling risk to be shared. In addition, all partners will be asked to sign an information sharing agreement to facilitate the gathering, sharing and monitoring of data about actual and potential business clients and the services provided to businesses by Growth Factory partner agencies.

#### **5. Accountable body status**

- 5.1 Accountable body status means Wolverhampton City Council shall be responsible for the delivery, monitoring and compliance of the programme for all of the parties.
- 5.2 Through City Deal, there is also an opportunity for the Black Country to bid for £4 million of Regional Growth funding to establish the Growth Factory as a one stop shop for business support across the Black Country. It aims to equip the Black Country's manufacturing small and medium sized enterprises (SMEs) with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them. Wolverhampton has agreed to act as Accountable Body subject to Cabinet (Resources) Panel signoff.

## **6. Minimising risks to Wolverhampton**

- 6.1 These projects are not without risk associated with Accountable Body status. However, the purpose of the collaboration agreement is to share the risk of any potential grant clawback against the project delivery lead with the other Black Country Local Authorities.
- 6.2 In order to minimise risks associated with ERDF and RGF projects in line with the collaboration agreements, it is proposed that Wolverhampton will also have its own rigorous risk management process. Furthermore It should be noted that clawback would in most cases be proportionate to the issue, for example a missing invoice and, hence, lack of supporting documentation would result in clawback for the amount of that invoice, not the whole project amount.
- 6.3 Wolverhampton has considerable experience in managing previous projects under the ERDF programme. This includes experience of the rigorous audit procedures and very specific and inflexible regulations which are enforced to extract clawback. This very experience ensures a cautious and thorough examination of the collaboration agreements, as well as a robust approach to project management systems and processes. Specific and up-to-date training for all ERDF project managers and finance related staff would be offered to all Wolverhampton staff working on ERDF projects.

## **7. Financial implications**

- 7.1 The proposals covered in this report have the potential to attract a significant amount of grant investment into Wolverhampton, through participation in collaborative Black Country external funding bidding opportunities. The financial implications of the report recommendations are included in the main body and summarised at Appendix A.
- 7.2 The opportunities discussed in the report offer significant investment benefits through the attraction of external resources. The risks associated with these benefits will be mitigated by the formal collaboration proposals discussed in the report together with Wolverhampton City Council's approach to project management. [RT/12112013/H]

## **8. Legal implications**

- 8.1 Councils have authority to enter into Collaboration Agreements by virtue of Section 1 of the Localism Act 2011, which empowers Local Authorities to do anything that individuals may generally do. These Agreements and the proposals also accord with the sustainable communities strategy contained in Section 4 of the Local Government Act 2000.
- 8.2 Collaboration Agreements set a framework and governance structure for joint working between the parties to enable the delivery of the programmes and ensures commitment to the process and a shared responsibility between Black Country authorities, thereby mitigating risk for the respective accountable body. Therefore a representative of the Chief Legal Officer will be required to participate in the development of each agreement to ensure deliverability and minimise risk for Wolverhampton. [JH/07112013/T]



8.3 The key risk for all the parties are dealt with elsewhere in this report and whilst the financial impact of clawback is significant, providing on-going risk assessments are carried out by all Councils and in particular this Council, the possibility of clawback being enacted is considered to be an acceptable risk.

## **9. Equalities implications**

9.1 All ERDF and RGF funded projects must demonstrate how equality and diversity issues and opportunities are taken into account. .

## **10. Environmental implications**

10.1 All ERDF and RGF funded projects must demonstrate how environmental implications are taken into account.

## **11. Schedule of background papers**

Appendix A - project outlines: Growing Priority Sectors and Growth Factory

## Appendix A: Project Outlines

<b>Project Name</b>	Growing Priority Sectors
<b>Project Description</b>	Funding of between £50,000 and £1 million for Black Country small and medium enterprises operating in the priority sectors of; advanced manufacturing, building technologies, transport technologies, business and professional services and environmental technologies sectors, to create jobs.
<b>Project Outputs</b>	533 Jobs created and safeguarded
<b>Project Funding</b>	Regional Growth Fund round 3 = £11 million Regional Growth Fund round 4 = £4 million European Regional Development Fund (ERDF) = £3 million (Awaiting approval)
<b>Project Timeline</b>	Present to June 2015
<b>Accountable Body</b>	Sandwell MBC
<b>Progress to date</b>	Round 3: Fourteen Wolverhampton companies initially expressed an interest in round 3, of these five submitted full applications and one has been successful. Round 4: Due to be launched. ERDF: Awaiting approval
<b>Risks</b>	Risk management is a fundamental aspect of the project management and a comprehensive project specific risk log is maintained. Financial risk is minimised through the due diligence carried out prior to the awarding of a grant funding contract to any business to ensure sound financial management practices are in place. Through representation on the project steering group project progress is able to be monitored. Furthermore there is a dedicated project manager to ensure delivery of the project in accordance with its objectives and milestones. Finally the execution of a Collaboration Agreement ensures liability for each partner is transparent.

<b>Project Name</b>	Black Country Growth Factory
<b>Project Description</b>	<p>The Black Country Growth Factory will maximize the opportunities to growth by becoming the portal to all the business support services in the sub region. It will coordinate and monitor the quality of all generic business support and offer a specialist package of support to HVM SME's. It will offer</p> <ul style="list-style-type: none"> <li>• A pool of expertise</li> <li>• Simplified access to support</li> <li>• Links to national and local programme's and coordinated partner budgets.</li> <li>• A package of specialist support for HVM SME's focused on innovating</li> </ul> <p>It will support SMEs to overcome capacity constraints and maximize the economic opportunities resulting from global growth, through</p> <ul style="list-style-type: none"> <li>• Access to new markets</li> <li>• Competitive supply chain</li> </ul> <p>Support will be led by the business, assisted through a broad partnership of local experts working to a shared objective – To Grow the Black Country. This will provide the vital introduction to the longer term objective set out in the Black Country EU Investment Plan</p>
<b>Project Funding</b>	Regional Growth Fund City Deal Wave 2 = £4 million and £11m Private Sector Match
<b>Project Outputs</b>	Jobs Created – 346 Jobs Safeguarded – 336 Businesses Engaged - 6125
<b>Project Timeline</b>	2014-16
<b>Accountable Body</b>	Wolverhampton City Council
<b>Progress to date</b>	Proposal submitted November 2013.
<b>Risks</b>	Risk management is a fundamental aspect of the project management and a comprehensive project specific risk log is maintained. Furthermore there is a dedicated project management resource to ensure delivery of the project in accordance with its objectives and milestones. Finally the execution of a Collaboration Agreement ensures liability for each partner is transparent.



# Cabinet (Resources) Panel

## 26 November 2013

<b>Report title</b>	Funding Transfer from NHS England to Social Care – 2013/14	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Steve Evans Community	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Sarah Norman	
<b>Originating service</b>	Community	
<b>Accountable officer(s)</b>	Steve Brotherton	Head of Commissioning, Older People
	Tel	01902 55(5318)
	Email	Steve.brotherton@wolverhampton.gov.uk
<b>Report has been considered by</b>	Health and Well Being Board (6.11.13)	
<b>Report to be considered by</b>	Wolverhampton Clinical Commissioning Group Governing Body Meeting (12.11.13)	

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### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve this report and
2. Approve the Council entering into an agreement under Section 256 of the NHS Act 2006 with the relevant NHS body setting out that the relevant NHS body will provide the sum of £4.922 million to the Council which will be ring fenced for the provision of adult social care.

## 1.0 Purpose

- 1.1 To seek approval for this report
- 1.2 To seek approval for the Council entering into an agreement under Section 256 of the NHS Act 2006 with the relevant NHS body setting out that the relevant NHS body will provide the sum of £4.922 million to the Council which will be ring fenced for the provision of adult social care.

## 2.0 Background

- 2.1 For the last two financial years, NHS Support for social care funding has been transferred from the Wolverhampton Primary Care Trust to the Council in order to support adult social care services, delivering health benefits in the process. Both of these funding transfers had been agreed under Section 256 of the National Health Service Act 2006.
- 2.2 For 2013/14 this funding transfer for Wolverhampton will be £4.922 M and will be transferred from NHS England to the local authority again via an agreement under Section 256.
- 2.3 NHS England requires a number of criteria to be clearly addressed and demonstrated within the 256 agreement:
  - The funding must be used to support adult social care whilst at the same time delivering a health benefit
  - There must be a local agreement between health and social care partners about the use of the funding and the outcomes to be delivered – this will be mandated through the Health and Well Being Board
  - The funding must make a positive difference to social care services and outcomes for service users, compared to plans in the absence of the funding
  - The funding can be used to support existing services or transformation programmes, assuming the above criteria is met and they would be under threat without this funding
- 2.4 The advice from NHS England on approval route for report is as follows:
  - A draft report to be send to the area team prior to being submitted to the Health and Well Being Board
  - Health and Well Being Board to receive and approve the report with the S 256 agreement
  - Local authority to secure Councillor approval through Cabinet (Resources) Panel
  - A copy of approved report; S 256 agreement; the minutes of the Health and Well Being Board meeting that approved the report; Council contact name and an analysis of how the funding will be spent to be sent to NHS England

- Area team will then raise the purchase order and confirm invoicing detail
- Local authority to supply an invoice
- NHS England to transfer the funding

2.5 The governance arrangements for this funding will be through the Adult Delivery Board – see appendix 1.

2.6 This funding will focus on the delivery of an integrated approach to Reablement; Prevention and Early Intervention, ensuring a joined up all-encompassing philosophy and approach, which delivers greater independence and choice for all customers.

2.7 This funding will deliver the following short, medium and long term priorities:

- The further development of an integrated hospital discharge team
- The development and delivery of a single point of access
- The further development and delivery of bed based intermediate care, including rehabilitation and step-down
- The development and delivery of an integrated approach to domiciliary reablement
- The further development and delivery of an integrated approach to Tele-healthcare and community equipment

2.8 This funding will contribute towards the delivery of the outcomes detailed in appendix 2 of this report.

2.9 The outcomes achieved through this funding will be monitored through a balanced scorecard, developed and agreed by all partners, that takes into account all appropriate local and national frameworks – see appendix 2.

2.10 Once the broad outcomes outlined in the appendices of this report are agreed, the Clinical Commissioning Group and the City Council will work together in order to quantify both the baseline and performance improvement measures against a number of these outcomes. This work will be completed by 30 November 2013 and will not delay the overarching agreement or transfer of the funding.

### **3.0 Financial implications**

3.1 NHS Support for social care funding for this year will focus on an integrated approach to the on-going development of reablement and rehabilitation, better preparing the health and social care market to deliver a value for money response to the increasing demographic pressures that have already emerged. This means a focus for 2013/14 on re-shaping the model for existing in-house services.

3.2 The expenditure plan for this funding is categorised in the following table:

<b>Area</b>	<b>Amount of Funding</b>
Continuation of Local Authority Bed Based Intermediate Care	1.200 M
Continuation of Domiciliary Based Intermediate Care	1.100 M
Commissioning & Financial Support	0.250 M
Telecare/Community Equipment & Adaptations	0.900 M
Integrated Hospital Discharge Team	0.372 M
Carer Support – Continuation of Dementia Residential Respite	0.500 M
Carer Support – Continuation of external market block contract day services across the City	0.600 M
<b>TOTAL</b>	<b>4.922 M</b>

[MA/06112013/J]

#### **4.0 Legal implications**

4.1 In order for the relevant NHS body to provide the Council with the sum of £4.922 million the Council will need to enter in to an Agreement under s.256 of the NHS Act 2006 with the relevant NHS body. The agreement will oblige the Council to ring fence the funds for the provision of social care services. The Council will also be obliged to provide evidence that funds have been used for social care and may be subject to audit.

[JH/12112013/M]

#### **5.0 Equalities implications**

5.1 A detailed equality analysis will be completed to inform the on-going development and implementation of this programme.

5.2 The Reablement Forward Plan for Wolverhampton employs an all-encompassing definition, including all adult services users.

#### **6.0 Environmental implications**

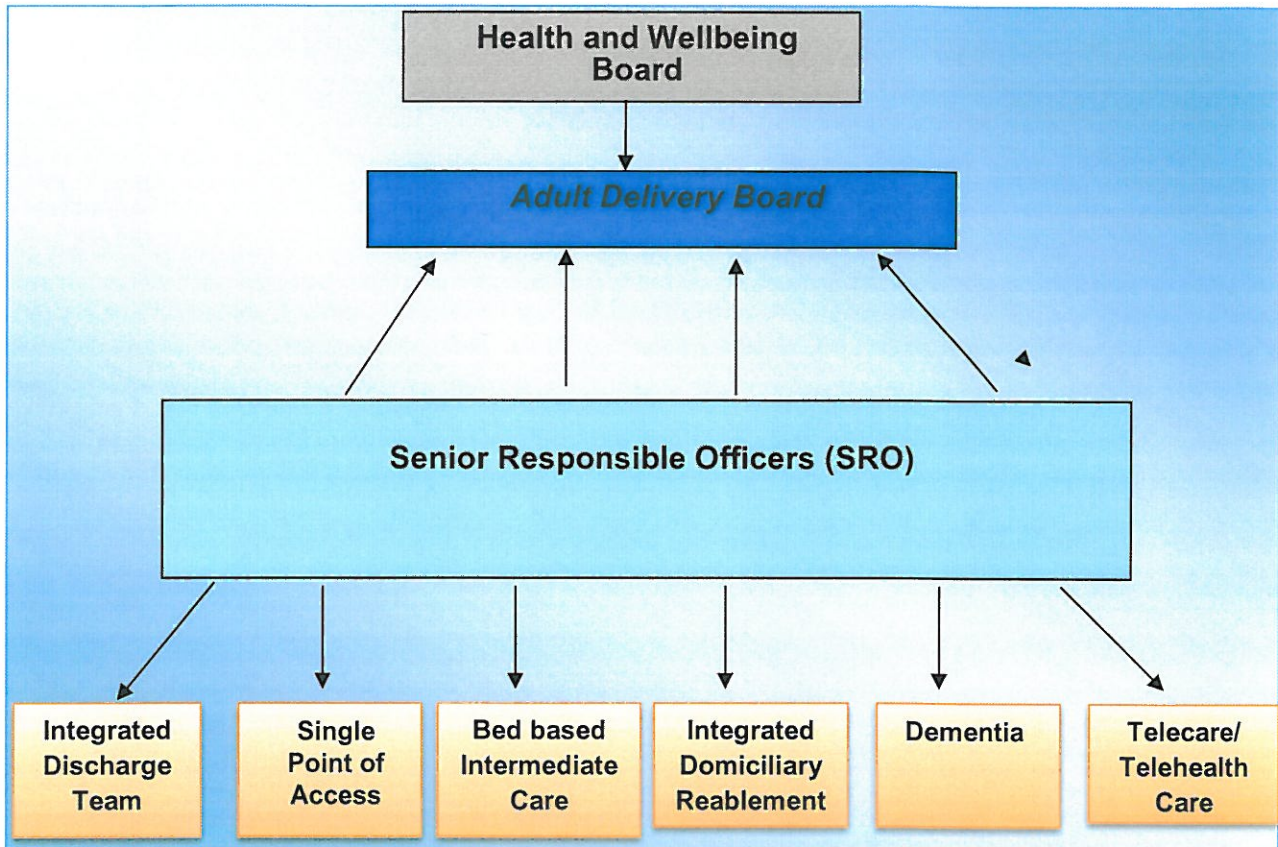
6.1 There are no obvious environmental implications that arise from this report.

## **7.0 Appendices**

1. Proposed Governance
2. Hierarchy of Outcomes

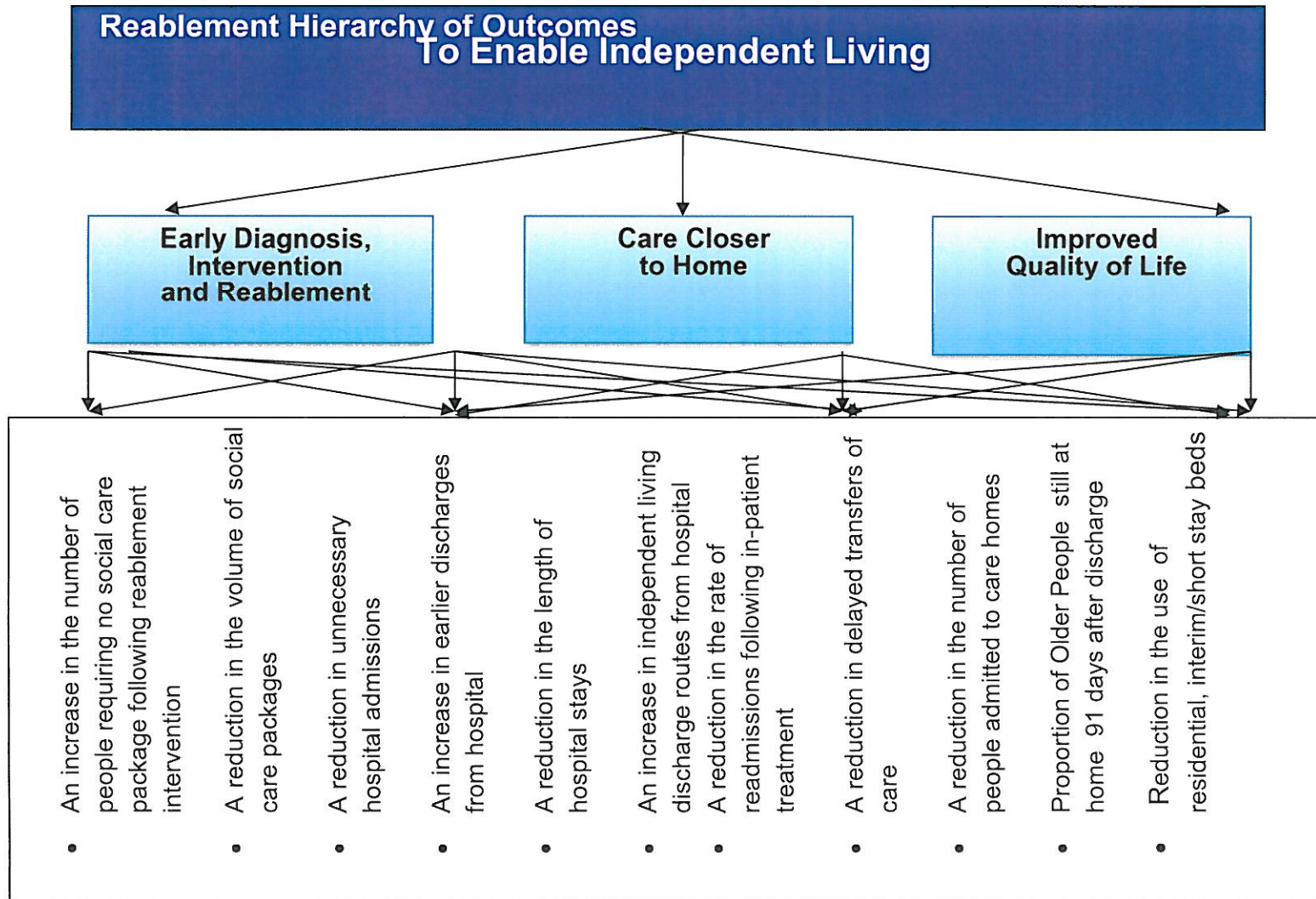


Appendix One – Governance



This reablement programme will be driven by the following high level strategic outcomes:

## Appendix Two – Hierarchy of Outcomes





# Cabinet (Resources) Panel

## 26 November 2013

<b>Report Title</b>	Schedule of Green Decisions
<b>Internal Decision Designation</b>	Information
<b>Cabinet Member with Lead Responsibility</b>	All
<b>Key Decision</b>	No
<b>In Forward Plan</b>	No
<b>Wards Affected</b>	All
<b>Accountable Strategic Director</b>	Keith Ireland, Delivery
<b>Originating service</b>	Democratic Support/Delivery
<b>Accountable employee(s)</b>	Liz Kiely    Democratic Support Officer Tel            01902 55(5045) Email        liz.kiely @ <a href="mailto:liz.kiely@wolverhampton.gov.uk">wolverhampton.gov.uk</a>

### Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

The summary of open and exempt green decisions approved by the Designated Officer following consultation with the appropriate Cabinet Member.

**SCHEDULE OF GREEN DECISIONS**

**PART I - OPEN ITEMS**

<b><u>Originating Service</u></b>	<b><u>Title and Summary of Decision</u></b>	<b><u>Designated Director/Officer</u></b>	<b><u>Cabinet Member Consulted</u></b>	<b><u>Date Approved</u></b>	<b><u>Contact Officer</u></b>
<b>1. Office of the Chief Executive</b>	-	-	-	-	-
<b>2. Community</b>					
<b>3. Delivery</b>					
<b>4. Education and Enterprise</b>	<p><b>(a) Transportation Network – Miscellaneous Issues</b></p> <p>(i) Agreed for the Cabinet Member for Economic Regeneration And Prosperity in consultation with the Strategic Director for Education and Enterprise to be authorised to approve the implementation of the Traffic Regulation Orders listed in the report subject to there being no unresolved objections following the formal advertisement of these restrictions</p> <p>(ii) Agreed to overrule the objections received to the proposed waiting restrictions at Manor Road/Amanda Avenue and Blaydon Road</p>	Strategic Director Education and Enterprise	Councillor Bilson	22.10.13	L Barnstable Ext 5684

<u>Originating Service</u>	<u>Title and Summary of Decision</u>	<u>Designated Director/Officer</u>	<u>Cabinet Member Consulted</u>	<u>Date Approved</u>	<u>Contact Officer</u>
	<p>(iii) Agreed to the implementation of proposed cycle routes linking Wolverhampton to Bilston as part of the Local Sustainable Transport Fund initiative subject to there being no unresolved objections following consultation</p> <p>(iii) Agreed the implementation of traffic calming and subsequent extension to the existing 20 mph zone in the Graiseley area subject to there being no unresolved objections following the formal advertisement of the associated measures</p> <p>(iv) Agreed the implementation of a one way Traffic Regulation Order in School Walk Bilston subject to there being no unresolved objections following the formal advertisement of the proposals</p> <p>(v) Agreed to authorize the introduction of the Traffic Regulation Orders on a date to be agreed between the Strategic Directors for Delivery and Education and Enterprise</p> <p><b>(b) Tower Street Temporary Bus Stops</b></p> <p>Agreed for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and Enterprise to approve the installation of two temporary bus stops on Tower Street and the</p>	<p>Strategic Director Education and Enterprise</p>	<p>Councillor Bilson</p>	<p>22.10.13</p>	<p>G James Ext 5755</p>

<u>Originating Service</u>	<u>Title and Summary of Decision</u>	<u>Designated Director/Officer</u>	<u>Cabinet Member Consulted</u>	<u>Date Approved</u>	<u>Contact Officer</u>
	<p>implementation of associated Bus Stop Clearway Traffic Regulation Orders together with the advertising and implementation of a temporary Traffic Regulation Order on Tower Street to suspend the Pay and Display Parking</p> <p><b>(c) Local Pinch Point Fund – A449 Stafford Road Corridor</b></p> <p>Agreed for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and Enterprise to be authorised for the Local Pinch Point Fund to:-</p> <ul style="list-style-type: none"> <li>-Bid for improvements to the Stafford Road Corridor for submission to the Department for Transport</li> <li>- Submit a further report to the Panel outlining the detailed funding and delivery arrangements should the initial bid be successful</li> </ul> <p><b>(d) Local Pinch Point Fund – Bilston Road and Metro Route</b></p> <p>Agreed for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and</p>	<p>Strategic Director Education and Enterprise</p> <p>Strategic Director Education and Enterprise</p>	<p>Councillor Bilson</p> <p>Councillor Bilson</p>	<p>29.10.13</p> <p>29.10.13</p>	<p>M Page Ext 1798</p> <p>L Barnstable Ext 5790</p>

<u>Originating Service</u>	<u>Title and Summary of Decision</u>	<u>Designated Director/Officer</u>	<u>Cabinet Member Consulted</u>	<u>Date Approved</u>	<u>Contact Officer</u>
	<p>Enterprise to be authorised for the Local Pinch Point Fund to:-</p> <ul style="list-style-type: none"> <li>- Bid for improvements to the A41 Bilston Road and Metro route for submission to the Department for Transport</li> <li>- Submit a further report to the Panel outlining the detailed funding and delivery arrangements should the initial bid be successful</li> </ul> <p><b>(e) Wolverhampton City Council's Response to Tettenhall Neighbourhood Plan Consultation</b></p> <p>Agreed for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and Enterprise to be authorised to approve the Council's response to the draft Tettenhall Neighbourhood Plan consultation</p> <p><b>(f) Stafford Road Corridor and Bilston Road Corridor Area Action Plan Minor Modifications</b></p> <p>Agreed for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director Education and Enterprise be authorised to note the representations received, and to approve the minor modifications</p>	<p>Strategic Director Education and Enterprise</p> <p>Strategic Director Education and Enterprise</p>	<p>Councillor Bilson</p> <p>Councillor Bilson</p>	<p>29.10.13</p> <p>29.10.13</p>	<p>H Smith Ext 3820</p> <p>T Podd/ M Ross Ext 5638/ 4038</p>

<u>Originating Service</u>	<u>Title and Summary of Decision</u>	<u>Designated Director/Officer</u>	<u>Cabinet Member Consulted</u>	<u>Date Approved</u>	<u>Contact Officer</u>
	<p>to the Stafford Road Corridor and Bilston Corridor Area Action Plans for submission to the Secretary of State</p> <p><b>(g) Appointment of Authority Governors</b></p> <p>Agreed the appointment of twelve Authority Representatives to serve on 11 governing bodies</p> <p><b>(h) Instruments of Government</b></p> <p>Agreed for the Cabinet Member for Schools, Skills and Learning in consultation with the Strategic Director Education and Enterprise to be authorised to approve the proposed Instruments of Government for the Kingston Centre and Bilston Nursery School Children's Centre</p> <p><b>(i) Corporate Asset Management Fund – Approval of Schemes for the Energy Efficiency Fund</b></p> <p>Agreed for the Cabinet Member for Resources in Consultation with the Assistant Director Central Services to be authorised to approve the energy efficiency proposals as detailed in the report</p>	<p>Strategic Director Education and Enterprise</p> <p>Strategic Director Education and Enterprise</p> <p>Strategic Director Education and Enterprise</p>	<p>Councillor Page</p> <p>Councillor Page</p> <p>Councillor Johnson</p>	<p>30.10.13</p> <p>30.10.13</p> <p>06.11.13</p>	<p>J Pownall Ext 4106</p> <p>J Pownall Ext 4106</p> <p>D Webb Ext 5540</p>



<u>Originating Service</u>	<u>Title and Summary of Decision</u>	<u>Designated Director/Officer</u>	<u>Cabinet Member Consulted</u>	<u>Date Approved</u>	<u>Contact Officer</u>
	<p><b>(j) Vine Island Improvements – Supplementary Works</b></p> <p>Agreed for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Education and Enterprise to be authorised to approve;</p> <ul style="list-style-type: none"> <li>- The supplementary works at the Vine Island Improvement Scheme including right turn lane and closure of an existing gap in the central reservation</li> <li>- The implementation of the following Traffic Regulation Orders subject to there being no unresolved objection following consultation and formal advertisement</li> </ul> <p>No U Turn on Stafford Road in both Directions            No right turn on Stafford Road southbound            Left turn only on the exit from the Farmbrook Estate            Closure of the northern gap opposite 776 Stafford Road</p>	<p>Strategic Director            Education and Enterprise</p>	<p>Councillor Bilson</p>	<p>14.11.13</p>	<p>L Barnstable            Ext 5684</p>



