



# Cabinet (Resources) Panel

11 February 2014

**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:

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Copies of other agendas and reports are available from:

**Website** <http://wolverhampton.cmis.uk.com/decisionmaking>

**Email** [democratic.support@wolverhampton.gov.uk](mailto:democratic.support@wolverhampton.gov.uk)

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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 (28 January 2014)**  
[For approval]
4. **Matters arising**  
[To consider any matters arising from the minutes]

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

5. **Budget Consultation**  
[To note the feedback following consultation with the residents of Wolverhampton with regard to the budget savings proposals.]
6. **Quarter Three Treasury Management Activity Monitoring**  
[To note the Council is continuing to operate within the Prudential and Treasury Management Indicators and the requirements set out in the Council's approved Treasury Management Policy Statement.]
7. **National Empty Homes Loan Fund**  
[To approve that Wolverhampton City Council join the National Empty Homes Loan Fund (NEHLF) scheme.]
8. **City Centre Transport and Movement Project**  
[To approve the revised delivery strategy for the City Centre Transport and Movement Project.]
9. **Revision to the Private Sector Housing Policy**  
[To approve the amendments to the existing Private Sector Housing.]
10. **Discretionary Rate Relief – Amendments to Local Scheme**  
[To approve the additions to the local scheme for Business Rate Discretionary Relief.]

## INFORMATION ITEMS

11. **Changes to Employee Establishment (open)**  
[To note the schedule of changes approved by Cabinet Members and Directors.]
12. **Schedule of Green Decisions**  
[To note the schedule of open and exempt decisions approved by Cabinet Members following consultation with the relevant employees.]

## EXCLUSION OF PRESS AND PUBLIC

13. **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>
14.	<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
15.	<b>Revenues and Ratings Matters</b> [To approve the recommendations for discretionary rate relief applications.]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3
16.	<b>Surplus Properties and Disposal methods</b> [To approve the grant of Leases, to declare land and property surplus to requirements.]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3
17.	<b>Low Hill Pods</b> [To approve the delivery strategy for the Low Hill Residential Repairs (Pods).]	Information relating to the financial or business affairs of any particular person (including the authority holding the	3

		information)	
18.	<b>Consideration of a request for a discretionary Disabled Facilities Grant</b> [To approve the request for a discretionary Disabled Facilities Grant.]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3
19.	<b>Wolverhampton Youth Zone</b> [To note the progress made in delivering the Wolverhampton Youth Zone (WYZ) and to approve the forward strategy to deliver the Youth Zone building.]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3
20	<b>Civic Halls</b> [To note the update to the Civic Halls Box Office Provision report.]	Information relating to the financial or business affairs of any particular person (including the authority holding the information)	3

#### **INFORMATION ITEMS**

21.	<b>Changes to Employee Establishment (exempt)</b> [To note the schedule of changes approved by Cabinet Members and Directors.]	Information relating to any individuals	1
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# Cabinet (Resources) Panel

## Minutes – 28 January 2014

### Attendance

#### Members of the Cabinet (Resources) Panel

Cllr Roger Lawrence (Chair)  
Cllr Peter Bilson  
Cllr Steve Evans  
Cllr Phillip Page  
Cllr John Reynolds  
Cllr Paul Sweet

#### Employees

Simon Warren	Chief Executive – Office of the Chief Executive
Keith Ireland	Strategic Director - Delivery
Tim Johnson	Strategic Director - Education and Enterprise
Mark Taylor	Assistant Director Finance - Delivery
Robert Baldwin	Head of Service Legal - Delivery
Matthew Vins	Graduate Management Trainee - Delivery

Apologies for absence were received from Cllr Johnson.

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

*Item No. Title*

### MEETING BUSINESS ITEMS

- 2. Declarations of interests**  
There were no declarations of interest.
- 3. Minutes of the Previous Meeting (7 January 2014)**  
Resolved:  
That the minutes of the meetings held on 7 January 2014 be approved as a correct record and signed by the Chair.
- 4. Matters Arising**  
There were no matters arising.

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

### **5. School Balances 2012/13**

Cllr Page presented a report about financial balances held by schools. He explained this was a further example of the authority working with colleagues in schools to ensure that the service to pupils was improved. He highlighted the work undertaken to achieve better ratings and results for schools in Wolverhampton and advised the Panel that schools had been consulted on this matter.

Cllr Lawrence explained that the aim was to make sure schools' balances would be directed to school improvement.

Resolved:

1. That the process to be taken with regard to challenging schools around the level of their balances and their plans for those resources be approved
2. To agree that Cabinet (Resources) Panel receive further updates on the progress and actions agreed with schools.

## **INFORMATION ITEMS**

### **6. Schedule of Green Decisions**

Resolved:

That the summary of open and exempt green decisions approved by Cabinet Members, following consultation with the appropriate employee, be noted.

## **EXCLUSION OF PRESS AND PUBLIC**

### **7. 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>
8	Corporate procurement - award of contracts for works, goods and services	3
9	Changes to Employee Establishment	1

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

### 8. **Corporate Procurement Award of Contracts for Works, Goods and Services**

Cllr Lawrence presented the report. He recommended the report be approved with the addendum that award of the contract to the South Asian Community Service be delegated to the Cabinet Member for Adult Services, in consultation with the Strategic Director Community, once service delivery issues had been clarified.

Resolved:

1. That the award of the contract for Civil Parking Enforcement to APCOA Parking Ltd be authorised.
2. That the award of the contract for the development of the Low Hill Community Hub to Graybuild Ltd be authorised.
3. That the award of the contract for South Asian Community Service to Positive Participation Blakenhall Community and Healthy Living Centre be delegated to the Cabinet Member for Adult Services in consultation with the Strategic Director Community.
4. That the award of two contracts for landscaping works to Jack Moody Limited, of Wolverhampton, for landscaping and maintenance works to the Bilston High Street Link be authorised.
5. That the variation of the existing agreement with YMCA Black Country Group of Wolverhampton, to include Nightstop and Supported Lodgings provision, be authorised.
6. That the variation of the existing agreement with the Coach House of Wolverhampton, to establish a block contract for a total of 18 beds, be authorised.
7. To grant delegated authority to the Cabinet Member for Health and Wellbeing, in consultation with the Strategic Director of Community, to award the works contract for the synthetic pitch development at the Jennie Lee Centre.
8. To grant an exemption from the competition process to award a contract to TEN Professional Support of London for the provision of on-line support services to schools.

### 9. **Changes to Employee Establishment**

Resolved:

That the employee establishment changes be noted.



# Cabinet (Resources) Panel

## 11 February 2014

<b>Report title</b>	Budget 2014/2015 – outcome of consultation		
<b>Decision designation</b>	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 director</b>	Keith Ireland, Delivery		
<b>Originating service</b>	Finance		
<b>Accountable employee(s)</b>	Mark Taylor	Mark Taylor	
	Tel	01902 556609	
	Email	<a href="mailto:mark.taylor@wolverhampton.gov.uk">mark.taylor@wolverhampton.gov.uk</a>	
<b>Report to be/has been considered by</b>	Delivery Directorate Leadership Team		28 January 2014
	Strategic Executive Board		30 January 2014
	Budget Working Party		3 February 2014
	Strategic Executive Board		6 February 2014

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

Cabinet (Resources) Panel is recommended to:

1. Consider the responses to the consultation undertaken for the Five Year Budget and Medium Term Financial Strategy 2014/2015 to 2018/19 as detailed in this report.
2. Agree the initial response of Cabinet to the consultation, taking into account the final budget Cabinet will recommend to Council for approval on 5 March 2014

### Recommendations for noting:

Cabinet (Resources) Panel is asked to note:

1. The final response will also be fed back to those that participated in the consultation.



## **1.0 Purpose**

- 1.1 This report sets to inform Cabinet about the consultation process undertaken to apprise the 2014/2015 budget-setting decisions, allowing for Councillors' consideration and approval of the initial responses to the consultation.
- 1.2 The final response to the consultation will be taken into account in the final budget that Cabinet recommends to Council to approve on 4 March 2014. The final response will also be fed back to those that participated in the consultation.

## **2.0 Background**

- 2.1 The Council's budget consultation took place from October 2013 to January 2014 in order to inform the budget-setting decisions for 2014/2015. All of the consultation and analysis was conducted in-house and this was a major factor in keeping the cost of delivery to a minimum.
- 2.2 The process was comprised of:
  - A City Direct telephone hotline;
  - An invitation to submit comments in writing;
  - An online survey for the public and staff;
  - Workshops with communities of interest representing the equalities strands; and
  - Stakeholder meetings with
    - The business community
    - Trades unions
    - Private sector landlords
    - Registered social landlords
    - Voluntary and Community Sector organisations
    - Local Neighbourhood Partnerships
    - The Youth Council
- 2.3 The consultation was branded as 'Facing Reality' and the Council's Communications Team provided support to:
  - set up a Facing Reality web page hosted on the corporate website;
  - produce and publish the Council's inaugural Financial Plan
  - produce and publish (in print and electronic format) an easy read guide to the budget proposals;
  - develop Facebook advertising that sign posted the public to the consultation (in particular a web-based survey); and
  - real time responses to a live Twitter feed focusing on the budget proposals.
- 2.4 The Facing Reality campaign was publicised in the Express and Star newspaper. The Cabinet Member for Resources was also interviewed by Radio WM.
- 2.5 A fully sponsored specially commissioned financial plan document setting out the Council's financial circumstances was used to reiterate the message within the Facing Reality campaign. The financial plan was published on the Council's website and was available to everyone that attended a stakeholder or community meeting throughout the consultation period.

2.6 An easy read guide to the budget proposals was also produced to accompany the detailed budget proposals published in the 23 October Cabinet Report. The easy read guide was published on the Council's website and was available on request and was also used as reference material for everyone that attended a stakeholder or community meeting throughout the consultation period.

2.7 Appropriate Cabinet members, Directors, Assistant Directors and in some instances, Heads of Service, attended stakeholder meetings in order to support the process and answer any relevant questions. A full and accurate record of all stakeholder meetings was kept by a Democratic Support Officer.

### **3.0 Discussion: executive summary of key findings**

3.1 60% of the respondents to the online survey stated that they would be prepared to pay more council tax if that reduced the level of cuts to that service. Of those

- 19.5% indicated that they would be prepared to pay more than 5% extra;
- just over 22% would be prepared to pay 5% extra;
- 6.6% would pay 4% more;
- 16% would pay an additional 3%;
- 25% would pay an extra 2%; and
- 10.5% would pay 1% more.

#### 3.2 Future Consultations

The scale of the council's financial challenge means that the council is now in a position where a minimum of £5 million will be found from a combination of new savings and increases in the value of the existing proposals for 2014/2015. Any new savings identified will be consulted upon individually.

3.3 There is evidence to suggest that there is some support for the following proposals:

- Reduce street lighting maintenance;
- Fees and charges review – bereavement services;
- Cessation of winter garden waste 'green bin' collection service;
- Reduce number of Councillors;
- Review of the use of organists Bushbury Crematorium;
- Removal of Council subsidy for the operation at the bar at Aldersley Leisure Village;
- Reduction in the Christmas decoration lighting and maintenance budget;
- Review the function and extent of the Mayoral Office; and
- Improve collection rate for Council Tax.

3.4 A comprehensive summary of the consultation findings can be found at Appendix i.

#### **4.0 Key Findings**

The main proposals that respondents commented upon were:

##### **4.1 Replacing Local Neighbourhood Partnership with Community Economic Regeneration Stage 1 and 2**

Respondents were concerned about how the Council would consult effectively without the LNP staff and about the economic impact of this proposal as the staff have been effective at supporting communities in securing external funding.

##### **4.2 Reduction in Voluntary Sector Grant**

Organisations argued that the reduction in grant funding to the sector quoted in the council documentation (13%) is misleading as it includes commissioned activity. They believe reductions in grant funding will undermine the ability of the sector to win contracts and support vulnerable people. The sector underlined its importance in attracting external funding to the city.

##### **4.3 Removal of Council Subsidy for Central Baths**

Respondents thought that this proposal would have implications for the health of residents. They were also concerned that residents would not be able to access alternative facilities and that the proposal may have a disproportionate effect on some groups such as Asian women and disabled people.

41 (just over 7.5%) of respondents to the online survey said that this proposal would have an impact on them. 6095 people have signed a petition to save Central Baths

##### **4.4 Reduction to overall council subsidy of Cultural Services including the Art Gallery**

As well as being an important resource for communities, some respondents felt that these services could also play an important part in the regeneration of the city, attracting visitors and offering training and employment opportunities. 38 respondents to the online survey (just over 7%) said that this proposal would have an impact on them, with a further 32 saying that the proposal on Bantock House would impact upon them. 37 people indicated that they would be prepared to pay higher fees and charges if that protected this service.

##### **4.5 Reduction in library opening hours and introducing charges for internet use.**

Respondents were concerned that this proposal would have the greatest impact on the most disadvantaged people, particularly people who will shortly be required to make benefits claims online, job seekers (both of whom might require more than an hour to complete online forms) and those people for whom the libraries might be their main recreational outlet. 43 respondents to the online survey (just over 8%) said that this proposal would have an impact upon them and 20 (3.7%) indicated that they would be prepared to pay higher fees and charges if that protected this service.

#### **4.6 Reduction in the Neighbourhood Wardens Service**

Participants were concerned that if the catchment area was increased for the wardens, their effectiveness would reduce. Local residents felt that the wardens provided good public reassurance and had had an effect on crime in neighbourhoods. 34 respondents to the online survey (6%) said that this proposal would have an impact on them.

#### **4.7 Reduce the number of Councillors**

There was broad support for this proposal. 37 people (6.8%) who took part in the online survey were strongly in favour of this proposal with 28 saying that this proposal would have little or no impact upon them.

#### **4.8 Reconfiguration of Youth Services, centred on Youth Zone and targeted youth support**

Respondents were concerned about the practical difficulties, safety aspects and travel costs for young people accessing the Youth Zone. They also saw the potential for violence between young people from different geographical areas and were worried that the decrease in neighbourhood youth services would see a rise in anti-social behaviour in localities. 21 respondents to the online survey (3.9%) said that this proposal would have an impact upon them.

#### **4.9 General comments unrelated to specific savings proposals**

The online survey showed that the majority of people (just over 86%) agreed with the principle that the council should focus its resources on regeneration, protecting essential services and job creation. Participants were concerned about the impact of the savings on the most vulnerable and that the savings might have unintended outcomes particularly related to the economy and acute health and social care services. Some respondents questioned whether some of the proposals under the 'efficiencies' heading were in fact a reduction in services rather than efficiencies.

4.10 Respondents were interested in the council's overall approach to the budget challenge. Some participants felt that the council's back office costs and duplication could be reduced still further and that partnering arrangements with other local authorities should be considered. A partnership approach to addressing the challenges that the city faces was advocated by many and it was felt that the community had an important part to play in this.

4.11 Many participants would like to see an increased focus on prevention, which they said would ultimately save money, and felt that the council's stated commitment to this area was not reflected in the savings proposals themselves. Some groups raised concerns about their ability to comment meaningfully on the proposals based on the information the council provided.

4.12 Several savings ideas were suggested by participants. These varied from the council taking a more strategic approach to attracting external funding on behalf of the city to turning off street lights after a certain time at night or obtaining commercial sponsorship for flower beds.

4.13 A number of suggestions were made for saving money on staffing costs, particularly through the online survey. This included changing terms and conditions, reducing staffing hours, reducing the number of consultants in the council, capping or reducing salaries (with some advocating that this should be set above a certain salary level) and working from home.

## **5.0 Initial response from cabinet**

5.1 The Cabinet would like to thank all participants in the consultation process and to pay tribute to the serious and constructive approach adopted. The Cabinet would also like to thank those participants who would be prepared to assist the Council by volunteering to assist within their communities or by offering to work with the Council to find alternative ways of saving money to prevent service cuts.

## **5.2 Replacing LNP with Community Economic Regeneration Stage 1 and 2**

The Cabinet proposes to retain an earmarked fund designed to enable existing LNPs to put in place arrangements to continue working with their communities and to bid for external funding. The Council's Community Engagement Officer will be transferred to the service, as will be the remaining Voluntary Community Sector Engagement officer. Both of these officers will work with local grassroots organisations and the voluntary community sector to ensure that there is engagement with people who are more difficult to reach.

## **5.3 Reduction to overall council subsidy of Cultural Services including the Art Gallery**

The Cabinet wishes the Art Gallery, Archives, Bantock House and Bilston Craft Gallery to become commercially viable under new business models designed to maximise revenue income and reduce the Council's subsidy. Where appropriate we will work with partner organisations to achieve this.

## **5.4 Reduction in the Neighbourhood Warden Service**

The Cabinet notes that with reduced Council resources it will be important to work in close partnership with the police, who will be increasing the number of PCSOs in Wolverhampton. To ensure the remaining wardens are employed effectively, alongside PCSOs, the Council's Community Safety Team have been co-located at Bilston Street Police Station, and the Anti-Social Behaviour Unit at a Wolverhampton Homes site. It is also proposed in response to serious concerns in the consultation to give consideration to reinstate a number of warden posts which would require additional resources be built into the budget.

## **5.5 Reconfiguration of Youth Services, centred on Youth Zone and targeted youth support**

The Cabinet is extremely sympathetic to the concerns expressed in the consultation regarding the closure of all open access youth facilities. We have left in the budget a sum of money available to reprovide some facilities through voluntary sector and community sector organisations. Further, the Council will be continuing to support some targeted work with young people within the own communities. Cabinet will give further consideration to the concerns raised about the practical difficulties, safety aspects and travel costs for young people accessing the Youth Zone.

## **5.6 Focus on Regeneration**

Cabinet will continue to support regeneration work by using capital resources available to the Council either through government grant, government supported borrowing, capital receipts or prudential borrowing. There will be continued focus on the regeneration of the City Centre; the Junction 2 area including i54 and the Enterprise Zone as well as a focus on ensuring a supply of quality housing and employment land across the City. This is resulting in increased investment, new homes and employment opportunities for local people as well as increased business rates revenues and new homes bonus grant. Cabinet will have due regard to the revenue implications of any new prudential borrowing which supports further regeneration.

### **5.7 Job Creation**

Cabinet will continue to support new jobs and training opportunities across the City. We are working directly with the businesses creating jobs to understand their needs and then developing approaches with our key partners including the College, University and Job Centre Plus to ensure local people get the appropriate support/training to access the jobs.

### **5.8 Reduction in Voluntary Sector Grant**

The Cabinet notes concerns raised regarding reduction in Voluntary Sector Grant. Across the Council financial support to the voluntary sector remains considerable and where ever possible these changes have been made in a way that minimises the loss of external funding. The Council also has at its disposal a small earmarked “innovate to save” budget which is designed to create efficiencies and reduce costs in the Voluntary Sector. However due to recent concerns expressed regarding the impact of the cuts in community language teaching previously consulted upon it may be necessary to reserve some of this fund to be used as seed money for alternative provision of mother tongue teaching should sufficient resources not be available through existing approved budgets.

### **5.9 Reduce the number of Councillors**

The Cabinet notes the feedback in relation to this proposal and will continue to consider it further.

### **5.10 Removal of Council Subsidy for Central Baths**

Cabinet notes that there is a new commercial operating model being developed which is intended to move all Leisure Centres, including Central Baths to a more commercial footing. The new management team are developing a business model for the delivery of the service that will presented to Cabinet (Resources) Panel on 11 March 2014 for approval. The Cabinet’s aspiration is that overall Leisure Centres won’t require any subsidy and the Council is therefore looking for ways for the three sites together to at least break even as soon as is commercially possible.

### **5.11 Reduction in library opening hours and introducing charges for internet use.**

Cabinet notes that the move of Libraries into community hubs will mean that many libraries will continue to be open for book borrowing and return and computer use even when staff are not present. In addition efforts are being made to develop network of volunteers to provide support to community libraries which may support extension to their opening hours

### **5.12 Other General Comments**

Cabinet welcomes the wish of participants to see an increased focus on prevention to ultimately save money. The Council has, for example, invested resources in a new operating model in Children’s Services which will ultimately produce cost savings as well as an improved Children’s Service. However our ability to make additional investment in preventative measures is constrained by the lack of resources available to the Council. Cabinet will continue to seek savings in administration costs and by seeking partnership arrangements with other public, voluntary or private sector bodies. All other savings ideas suggested by participants will be given serious consideration.

## **6.0 Financial implications**

- 6.1 Should any changes be made to the Draft five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19 as a result of the findings of the budget consultation exercise resulting in an increased net budget requirement, for example additional budget growth or the withdrawal of savings proposals, new savings proposals of an equivalent value will have to be urgently identified to address the projected budget deficit.

[NA/22012014/V]

## **7.0 Legal implications**

- 7.1 Sections 32 and 33 of the Local Government Finance Act 1992 imposes a duty on local authorities to calculate their budget requirements and set the Council Tax for each financial year. These provisions are subject to amendment following the Localism Act 2011 which replaces these provisions with a new Section 31A and 31B, under which authorities will no longer be under a duty to calculate their budget requirement for the year, but will be under a duty to calculate a Council Tax requirement. The aim is to make local authority calculations (which must be in accordance with the 1992 Act otherwise the Council Tax setting will be void) simpler and to avoid the need for regulations each financial year.
- 7.2 Part Two of the Local Government Act 2003 also imposes a series of duties and powers to give statutory support to important aspects of financial good practice. This includes provisions in respect of the requirement for the Chief Financial Officer to report on the robustness of the estimates including the adequacy of the reserves.
- 7.3 Cabinet is required to agree a budget proposal to recommend to Full Council.
- 7.4 The Council is obliged to set its council tax by the statutory deadline of 10 March 2014.
- 7.5 The Council is required to consult on its draft council plan and budget.

[RB/24012014/K]

## **8.0 Equalities implications**

- 8.1 The Council has a statutory duty to consult upon the impact of the way it carries out its business and the resulting effect on different groups of people within the community. This is designed to help the Council identify the particular needs of different groups and reduce the likelihood of discrimination, the eight relevant protected characteristics in this regard are:

- Age;
- Gender reassignment;
- Disability;
- Pregnancy and Maternity;
- Religion or Belief;
- Sexual Orientation;
- Race; and
- Sex

8.2 The preparation of the budget involves the allocation of resources for the provision of the Council's services and therefore has potential implications for the achievement of the Council's equal opportunities policies.

8.3 All savings proposals have assumed an Equality Assessment prior to approval.

8.4 As part of the budget consultation process, workshops were conducted with groups defined as having 'protected characteristics' in the Equalities Act (outlined in section 7.1). The purpose of this exercise was to determine if any of the savings proposals would have a disproportionate effect on any of the groups.

## **9.0 Environmental implications**

9.1 Individual proposals include details of potential environmental implications.

## **10.0 Human resources implications**

10.1 Individual proposals include details of the potential human resources implications.

## **11.0 Schedule of background papers**

11.1 Draft Budget Strategy 2014/2015 and Medium Term Financial Strategy, reported to Cabinet on:

- 26 February 2013;
- 24 July 2013; and
- 23 October 2013

11.2 Budget Review – Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, reported to Scrutiny Board on 17 December 2013



# Summary report on the outcome of budget consultation for the period 2014 to 2019

## Introduction

### 1. Background

- 1.1 Owing to a combination of rising costs in providing services, increased demand for services and cuts in the council's main source of funding - Government Revenue Support Grants - Wolverhampton City Council is facing a projected budget deficit of £30.8 million over the financial year in 2014/2015. The ever-widening gap between rising costs and falling incomes has been described nationally as the 'jaws of doom' and this scenario is also affecting Wolverhampton. In response the Council has already identified savings proposals of £14.4 million, in addition to the £100m already saved. It still needs to address a projected shortfall of over £20 million. The challenge could be as large as £123 m by 2018/19 if no action is taken.
- 1.2 The majority of the council's revenue income comes from Central Government revenue support grants. The Government grants will have reduced by 52%<sup>1</sup> since 2011/2012 following the 2010 Spending Review so the council automatically faces a budget shortfall. There is nothing within the council's control that could have been done to prevent this.
- 1.3 Neither can it control inflation or rising energy, food and fuel prices which eat further into its budgets every year. At the same time, low interest rates mean that the council isn't earning as much from its investments as it once did, while the economic downturn has had a negative effect on its income from fees and charges.
- 1.4 These challenges are coupled with local pressures on the budget, for example increased cost pressures created from looked after children, pension fund strain and the Primary School Expansion Programme. All these things together have caused the projected budget deficit that the council faces.
- 1.5 Wolverhampton City Council is committed to involving its citizens in contributing to the important decisions it has to make. In October it published its Draft Budget Strategy 2014/15 and Medium Term Financial Strategy. This document contained savings proposals totalling £64.4 m.

### 2. Methodology

- 2.1 Between 29 October 2013 and 24 January 2014, Wolverhampton City Council undertook and made available a range of consultation mechanisms to gather views on the proposed budget cuts; these included both quantitative and qualitative methodologies.
- 2.2 **Consultation sources: Qualitative**  
The following is a summary of the participants in the twenty one stakeholder and community group meetings, plus details of other groups and interested parties that provided their views and opinions.
- 2.3 Stakeholder engagement meetings x 9
  - ◆ Trade Unions;

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<sup>1</sup> 52% real terms reduction in funding from 2010/11 to 2015/16

- ◆ Local Neighbourhood Partnerships x 4 meetings;
- ◆ Social Landlords and Private Landlords;
- ◆ Youth Council;
- ◆ Business Community; and
- ◆ Third Sector Partnership

2.4 Community Groups meetings – representing the equalities strands x 11

- ◆ Disabled People represented by One Voice
- ◆ BME Third Sector groups
- ◆ Carers represented by the Carer's Forum
- ◆ Deaf people represented by the Deaf Club
- ◆ Faith Communities represented by the Inter-Faith and Regeneration Network
- ◆ Transgender and Transsexual people represented by Gender Matters
- ◆ LGBT (Lesbian, Gay, Bisexual and Transgender) Community represented by the LGBT Network
- ◆ Parents represented by Voice for Parents
- ◆ Older people represented by the Over 50's Forum
- ◆ Women represented by Women of Wolverhampton (WOW)
- ◆ Experts By Experience

2.5 Other consultees

- ◆ Emails and letters from residents and comments received from a dedicated telephone hotline.
- ◆ The council also received a petition

2.6 **Consultation sources: Quantitative**

The council made an online survey available to residents and staff for the duration of the consultation.

2.7 **Considerations around representativeness of the data**

In line with best practice issued by Government (The Government's Consultation Principles July 2012), the consultation particularly focused on involving the range of stakeholders affected by the proposals, as well as enabling the general public to comment through the dedicated telephone hotline, an online survey and public meetings in each constituency. The findings from the stakeholder meetings, community group meetings and other qualitative correspondence, is by its very nature, indicative only and not necessarily representative of the wider population.

2.8 **Considerations around reporting**

It is recognised that the public, community groups and key stakeholders are not always aware of the budgetary constraints that local authorities operate under. For example, there is little awareness or understanding of the difference between capital and revenue budgets, controllable and non-controllable expenditure, nor distinctions made between statutory and discretionary spend. This document does not attempt to unpick this, but simply reports the views of the various consultees in their broadest perspective.

2.9 The qualitative findings are the primary source of information on the specific budget proposals. These have been drawn from copies of the meeting notes for the twenty

stakeholder and community group events, social media, where available, and copies of emails and letters from other interested parties. It should be noted that these groups often represent the views of vulnerable people who are heavily dependent on the Council's support services (in line with Government Guidance). The inclusion of many of these groups forms an important part of the council's Equality Assessment of the budget proposals – a process that is legally required.

## **2.10 The report**

The full report (of which the present document is a summary version) is available from the [Council's website](#) as well as the [engagement database](#).

## Executive Summary and conclusions

3. This document summarises the key findings from a range of consultation exercises run by Wolverhampton City Council on its budget proposals for 2014/15 – 2020/21. It includes an analysis of 20 qualitative presentations and meetings with key stakeholder and community groups designed to gather views and opinions on 165 specific savings proposals. It also includes an analysis of letters, emails and petitions sent in by interested parties, the outline findings from two online quantitative surveys undertaken, data gathered through social media and telephone calls made to a designated hotline.

### 3.1 Consultation sources

Nine stakeholder engagement meetings held with Trade Unions, Local Neighbourhood Partnerships (x 4), Social Landlords and Private Landlords, Youth Council, Business Community and the Third Sector Partnership.

3.2 Eleven community group meetings held with One Voice (an organisation run by and for disabled people), Black and Minority Ethnic (BME) Third Sector groups, Carers Forum, Deaf people, The Interfaith and Regeneration Network representing faith Communities, Gender Matters (an organisation representing Transgender and Transsexual people), the Lesbian, Gay, Bisexual and Transgender (LGBT) Network, Voice for Parents, the Over 50's Forum, Experts by Experience and Women of Wolverhampton (WOW) group.

3.3 Other representation was made in the form of emails, petitions, social media and letters from residents from Bushbury; Oxley; Bilston East; Wednesfield; Whitmore Reans; Tettenhall; Compton; Low Hill and the Scotlands; Dovecotes and Finchfield as well as organisations such as Central Youth Theatre, The Third Sector Partnership; Gender Matters, the Over 50's Forum and UNISON.

3.4 In addition the council ran a bespoke telephone hotline and two online consultations, one for staff and one for the public.

## 4. Key Findings

The main proposals that respondents commented upon were:

### 4.1 Replacing Local Neighbourhood Partnership with Community Economic Regeneration Stage 1 and 2

Respondents were concerned about how the council would consult effectively without the LNP staff and about the economic impact of this proposal as the staff have been effective at supporting communities in securing external funding.

### 4.2 Reduction in Voluntary Sector Grant

Organisations argued that the reduction in grant funding to the sector quoted in the council documentation (13%) is misleading as it includes commissioned activity. They believe reductions in grant funding will undermine the ability of the sector to win contracts and support vulnerable people. The sector underlined its importance in attracting external funding to the city.

#### **4.3 Removal of Council Subsidy for Central Baths**

Respondents thought that this proposal would have implications for the health of residents. They were also concerned that residents would not be able to access alternative facilities and that the proposal may have a disproportionate effect on some groups such as Asian women and disabled people. 41 respondents to the online survey said that this proposal would have an impact on them

#### **4.4 Reduction to overall council subsidy of Cultural Services including the Art Gallery**

As well as being an important resource for communities, some respondents felt that they could also play an important part in the regeneration of the city, attracting visitors and offering training and employment opportunities. 38 respondents to the online survey said that this proposal would have an impact on them, with a further 32 saying that the proposal on Bantock House would impact upon them. 37 people indicated that they would be prepared to pay higher fees and charges if that protected this service.

#### **4.5 Reduction in library opening hours and introducing charges for internet use.**

Respondents were concerned that this proposal would have the greatest impact on the most disadvantaged people, particularly people who will shortly be required to make benefits claims online, job seekers (both of whom might require more than an hour to complete online forms) and those people for whom the libraries might be their main recreational outlet. 43 respondents to the online survey said that this proposal would have an impact upon them and 20 indicated that they would be prepared to pay higher fees and charges if that protected this service.

#### **4.6 Reduction in the Neighbourhood Wardens Service**

Participants were concerned that if the catchment area was increased for the wardens, their effectiveness would reduce. Local residents felt that the wardens provided good public reassurance and had had an effect on crime in neighbourhoods. 34 respondents to the online survey said that this proposal would have an impact on them.

#### **4.7 Reduce the number of Councillors**

There was broad support for this proposal. 37 people who took part in the online survey were strongly in favour of this proposal with 28 saying that this proposal would have little or no impact upon them.

#### **4.8 Reconfiguration of Youth Services, centred on Youth Zone and targeted youth support**

Respondents were concerned about the practical difficulties, safety aspects and travel costs for young people accessing the Youth Zone. They also saw the potential for violence between young people from different geographical areas and were worried that the decrease in neighbourhood youth services would see a rise in anti-social behaviour in localities. 21 respondents to the online survey said that this proposal would have an impact upon them.

#### **4.9 General comments unrelated to specific savings proposals**

The online survey showed that the majority of people (just over 86%) were in agreement with the principle that the council should focus its resources on

regeneration, protecting essential services and job creation. Participants were concerned about the impact of the savings on the most vulnerable and that the savings might have unintended outcomes particularly related to the economy and acute health and social care services. Some respondents questioned whether some of the proposals under the 'efficiencies' heading were in fact a reduction in services rather than efficiencies.

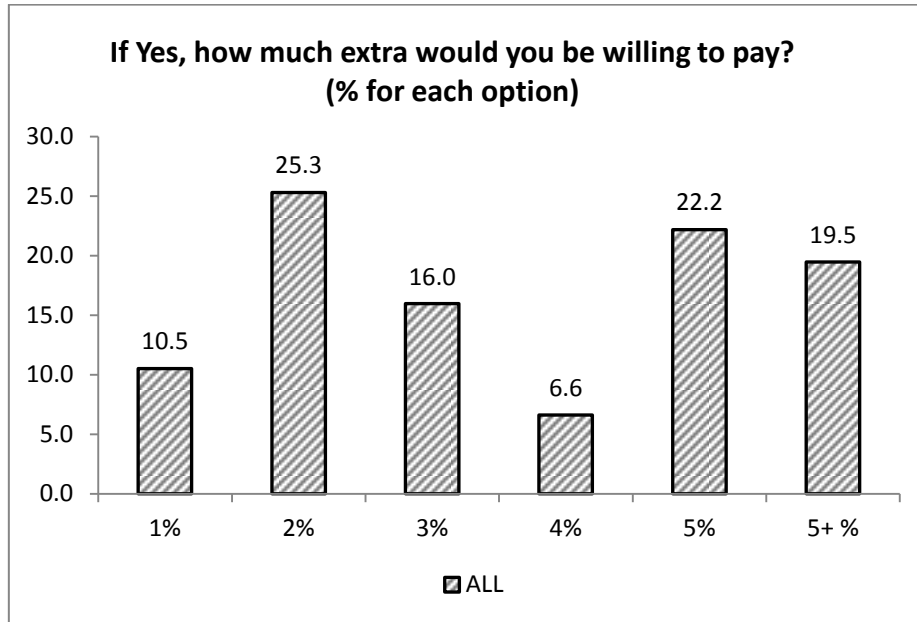
- 4.10 Respondents were interested in the council's overall approach to the budget challenge. Some participants felt that the council's back office costs and duplication could be reduced still further and that partnering arrangements with other local authorities should be considered. A partnership approach to addressing the challenges that the city faces was advocated by many and it was felt that the community had an important part to play in this. Many participants would like to see an increased focus on prevention, which they said would ultimately save money, and felt that the council's stated commitment to this area was not reflected in the savings proposals themselves. Some groups raised concerns about their ability to comment meaningfully on the proposals based on the information the council provided.
- 4.11 Several savings ideas were suggested by participants. These varied from the council taking a more strategic approach to attracting external funding on behalf of the city to turning off street lights after a certain time at night or obtaining commercial sponsorship for flower beds.
- 4.12 A number of suggestions were made for saving money on staffing costs, particularly through the online survey. This included changing terms and conditions, reducing staffing hours, reducing the number of consultants in the council, capping or reducing salaries (with some advocating that this should be set above a certain salary level) and working from home.

## Findings from the quantitative (statistical) consultation

5. This Section summarises the statistical data from the quantitative online surveys. The external questionnaire had 324 respondents, and the internal questionnaire had 213 respondents, making a total response base of 537.
- 5.1 It should be borne in mind that this is not a sample survey of residents or staff, so the results reported in this section are not necessarily a representative sample due to self-selection.
- 5.2 There was broad agreement (just over 86%) that the Council's priorities are the right ones for the city, with slightly more agreement from internal respondents.
- 5.3 Respondents who answered "no" were able to specify what the Council's priorities should be; protecting the vulnerable, and focussing exclusively or almost-exclusively on essential services, were the two most common themes.
- 5.4 Both external and internal respondents were receptive to paying higher fees and charges to avert greater service cuts.
- 5.6 Respondents were able to specify particular services where higher fees and charges were tolerable to preserve service quality: both galleries and museums (37 respondents) and leisure (27 respondents) were clear leaders. Waste, Council Tax, and libraries were in a close group of 19-20 responses behind.
- 5.7 External respondents were likelier than internal respondents to say they would volunteer to reduce the extent of the cuts. However, neither group had a majority of respondents willing to volunteer.
- 5.8 Respondents were also asked, if they were willing to volunteer, which service they wished to volunteer for. However, despite 136 respondents answering this question, 27 of them just offered general comments about the notion of voluntary public services rather than nominating a service, 24 said they already volunteer as their answer, and 11 said they had no time or interest.
- 5.9 Internal respondents were likelier than external to indicate that they would pay more Council Tax to reduce the level of cuts. There were majorities in both the external and internal respondents groups for increases in Council Tax.
- 5.10 Respondents who said they would pay more Council Tax were then asked precisely how much extra they would be willing to pay. It was stated in the question heading that the impact of each 1% increase would be 20 pence per week based on the average property value (Valuation Band B) in the city.
- 5.11 **Please note:** the percentages in Fig. 1 are percentages of the overall respondents who said "yes". For instance, 25.3% of respondents who said "yes" would be willing to have a 2% rise in their Council Tax bills, the most-selected response. However, respondents who said "yes" were only 60% of all respondents to the question, so percentages need to be viewed in context.



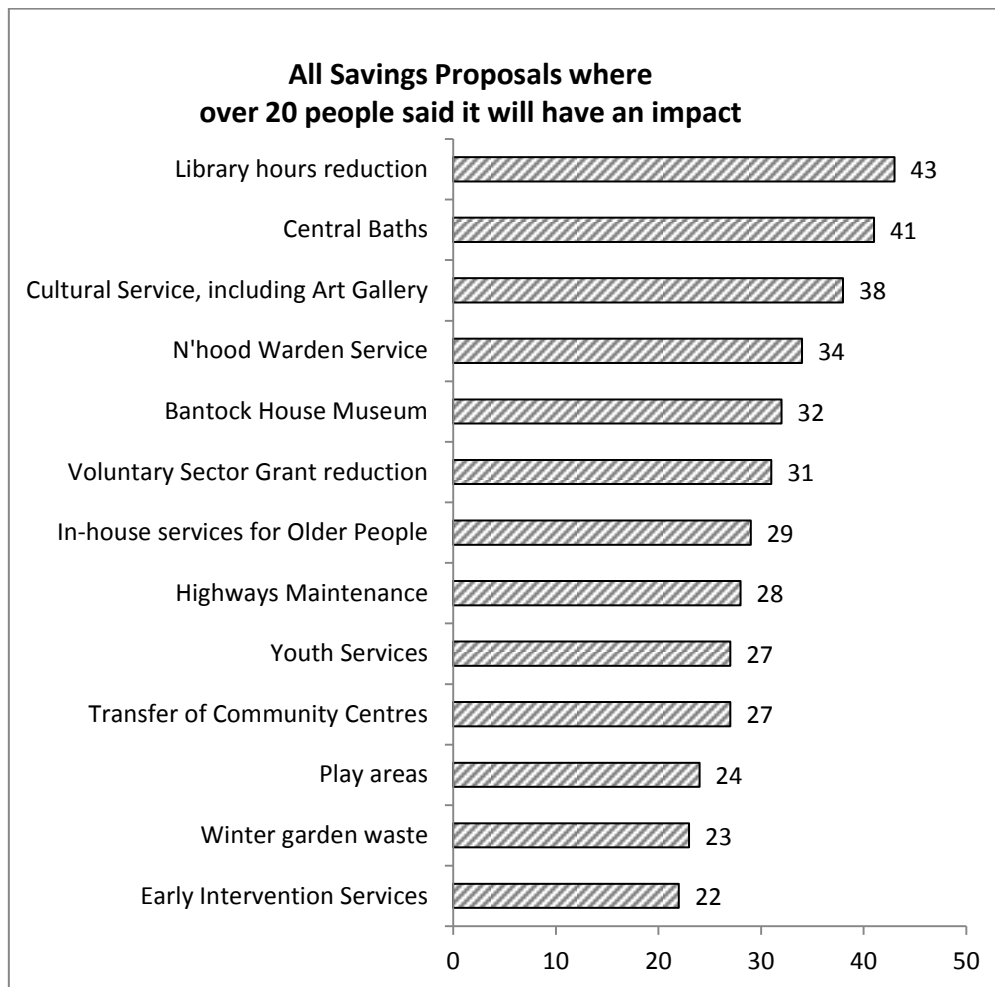
Fig. 1



5.12 All 165 savings proposals were presented to respondents, organised by set, and each respondent could nominate the top 5 within the set which would have an impact on themselves and their family (external) or on the city (internal). For instance, there were 90 savings proposals presented under the 'external cuts' heading, and respondents would then pick their top 5 there in terms of impact.

5.13 As there are 165 saving proposals, **Fig. 2** summarises only those where over 20 respondents felt each would have an impact. All of the proposals felt to have the greatest impact were from the 'external cuts' heading. Some of the topics were mentioned extensively in the qualitative budget consultation focus groups (for instance, library hours reduction), but other topics only emerge as a concern in this questionnaire (for example, winter garden waste).

Fig. 2



5.12 People were invited to suggest ideas for saving money or for increasing efficiency of the organisation. The most common suggestion – changing employee terms and conditions – includes both reducing staffs’ hours (9 respondents) and cap or reduce salaries (8 respondents). However, respondents differed how to cap or reduce salaries: some favoured an all-inclusive salary cut for Council employees, but others favoured a cut for salaries above a self-defined pay threshold. ‘Working from home’ has been deliberately double-counted in two sections (‘change employee terms and conditions’, and ‘reduce spending on office overheads’) as it is pertinent to both areas.

5.13 For each set of the 165 savings proposals, respondents were able to report whether any of the cuts would have little to no impact in their opinion and (separately) whether the respondent was strongly in favour of any particular proposals mooted.

5.14 A reduction in the number of Councillors, reducing Christmas lights, removing the subsidy for Aldersley bar, and scaling back the Mayoral function and role were all felt to have little or no impact and were favoured by respondents.

## Findings from the qualitative (discussion based and other submissions) consultations

### 6. Views on specific proposals for budgetary savings

The following section outlines the key views from the qualitative consultation with stakeholders, community groups and other interested parties. The twenty meetings covered a range of topics and gave attendees the opportunity to ask questions, gain clarification, and raise concerns or issues. The notes taken during these meetings do not always contain information on whether proposals are supported or opposed, though they do contain greater detail around the discussions, which for the sake of brevity, are not included in this report, but are available on request. This section also draws upon comments received from interested parties in emails and letters and comments made during the duration of the telephone hotline.

#### 6.1 Extent of consultation discussions and interpretation considerations

Given the broad spread of the proposals totalling 165, not all/only relevant topics were discussed by stakeholders and community groups during the meetings. The topics discussed are therefore likely to reflect the issues of most importance to the participants. All of the groups did have access to the public facing budget proposals documentation prior to the meetings. The public, community groups and key stakeholders often do not have the time to gain an understanding of the difference between controllable and non-controllable costs, or between statutory and discretionary spend. The reader should therefore be mindful of this context when considering the findings in the following sections.

## Qualitative Consultation main findings

### 7. Replacing Local Neighbourhood Partnerships with Community-Led Economic Development – Stage 1 and 2 (please note that stage 1 is an invest to save proposal)

There were concerns that this proposal would affect local areas ability to attract external funding and that the economic impact of this proposal were understated. One LNP asked for a phased approach to enable them to find other sources of support, whilst another requested that effective handover arrangements would take place. One LNP was concerned that this proposal would put vulnerable communities and individuals at greater risk; that the LNPs fulfil a valuable consultative function for the council so could ultimately cost the council more as service groups conduct their own consultations; and that qualitative information could be lost to the council if this proposal is approved.

#### 7.1 Reduction in Voluntary Sector Grant

Groups opposed to this proposal maintain that grant funding for the local voluntary and community sector will be cut by over 50% over the next two years (as opposed to the 13% figure quoted in the council documentation), resulting in funding being withdrawn to 30 organisations in the City, and the closure of many of them. They argue that as a result, vulnerable people in communities will lose services, and over 200 jobs will be placed at risk, along with support for over 800 volunteers. The services affected include those for young people, the elderly, disabled people, and the homeless and other vulnerable groups.

- 7.2 Opponents of this proposal point to the economic value the sector provides to the city by attracting significant external funding and delivering preventative work. Many groups made the point that their ability to do so in the future would be significantly undermined by this proposal. The Third Sector Partnership stated their willingness to work with the council to address the needs of vulnerable people.
- 8. Removal of Council subsidy for Central Baths**  
Respondents opposed to this proposal said that some residents would find difficulty in accessing swimming facilities elsewhere in the city. They claim that that this proposal has a disproportionate effect on females (especially Asian females) who are frequent users of Central Baths. They point to the health benefits of exercise and the need for a full equality analysis. Respondents suggested several ways that the baths could maximise their income.
- 9. Reduction to overall Council subsidy of Cultural Services, including Art Gallery**  
Participants argued that, not only are cultural services such as Bantock House and the Art Gallery a valuable community resource, they could also be a driver of regeneration and tourism for the city. A group of residents are keen to safeguard the future of Bantock House. A Facebook group has been formed and a public meeting convened to develop proposals for saving the venue.
- 10. Reduction in library opening hours and introducing charges for internet use**  
Some groups suggested that this proposal would disproportionately affect people reliant upon library facilities to make welfare benefit claims, to apply for work or as their main source of recreation.. The Libraries Action group wrote to the Chief Executive of the council. In the letter they offer to work with the council in order to attract external funding to mitigate the effects of the cuts on the city's library services.
- 11. Reduction of the Neighbourhood Warden Service**  
A cross section of respondents contacted the council to say how much they value this service. This included individuals and representatives of local groups and include one petition. The wardens provide an effective public reassurance function in communities. People fear that if the service is withdrawn from certain areas it will result in increased crime and anti-social behaviour. The proposal around the Neighbourhood Wardens is subject to scrutiny on 30 January 2014 and the results will be reported to Cabinet on 25 February 2014.
- 12. Reduce the number of Councillors**  
There was broad support for this proposal. However some participants were concerned about the risk of increased workload for councillors and what it might mean for councillor contact. Some respondents thought that the proposal should go further, suggesting that councillors should not receive expenses or that councillor numbers should be reduced to a third of current numbers.

**13. Re-configuration of Youth Services, centred on Youth Zone and targeted youth support**

The central location of the proposed Youth Zone was questioned by participants, many of whom would prefer youth provision in localities. There was a concern that public transport into the city was inadequate and was not affordable. For safety reasons parents would not want their children travelling into the centre alone. Once at the facility, people were concerned about the potential for violence between young people from different areas and the potential persecution of LGBT young people. Many respondents were concerned that this proposal (especially the removal of local clubs) could see a rise in antisocial behaviour in localities.

**14. General comments unrelated to the above categories - General comments about the savings**

**14.1 The impact on the most vulnerable**

Some groups were concerned that the proposals would impact more on the most vulnerable and lower income residents. They were concerned that cumulatively the proposals would disproportionately affect certain groups of people.

**15. Unintended impacts of the savings**

Some groups were concerned that the savings themselves might result in cost pressures for the council in the longer term and asked if this had been factored in. Others thought that the large number of council redundancies would impact on the economic regeneration of the city.

15.1 Another group wrote to the council saying that some of the budget proposal reductions appear to be in conflict with each other. They gave examples such as an increased number of people being cared for in the community (by, they assume) reducing numbers in residential care. At the same time the council proposes to cut care services that support people in the community (e.g. night visiting and possibly Carelink and Telecare).

15.2 The same group also thought that the council had failed to demonstrate the current outcomes achieved by services at their and the impact on those outcomes by the proposed reductions which, they state, is particularly important for preventative and rehabilitative services.

**16. Equalities Issues**

One group stated that the council could leave itself open to legal challenges if did not conduct adequate equality assessments. They stated that an overall equality assessment of the cuts was needed. Other groups asked, in the context of the cuts, what commitment the council has to BME groups and the wider equality and diversity agenda.

**17. Community Solutions**

There was evidence that a minority of residents and organisations would be prepared to fill the gaps left by service cuts. One group thought that faith groups would be interested in delivering services. They added that communities should also be encouraged to deliver services if they strongly feel that they should be retained.

17.1 They further stated that the availability of some facilities and services represents a good opportunity for some communities. Participants at two LNPs mentioned capitalising on Wolverhampton's 'community spirit' to help the city through the present difficulties.

## **18. Efficiencies**

Some groups suggested that efficiency savings would impact on the quality of services delivered and one group asked that all the savings proposals be kept under review to ascertain the impact on resident's lives.

## **19. Pressures on the budget**

Several groups suggested that a focus on prevention would help to keep down costs for acute health and social care and different approaches to addressing the financial challenge of protecting Looked After Children were mooted, with partnership approaches and an input from the Third Sector both suggested.

## **20. The Budget Challenge**

### *Overall approach to the budget challenge*

20.1 Participants were interested in the council's overall approach to the financial challenge it faces. Many suggestions were made including taking a Cooperative Council approach, mergers with neighbouring authorities, attracting more external funding, selling council assets and reducing the numbers of senior managers and consultants within the council.

### *Efficiency savings*

20.2 Some thought that more should be done to address back office costs, with several groups querying why a third of the council's budget is spent in this area. Another group was particularly concerned with the high cost of 'treasury management' (£12.5m) which they said is not explained in the council's Medium Term Financial Strategy report. Others were concerned about the amount of duplication they saw and asked about the potential to make savings by reducing existing commercial contracts.

### *A partnership approach*

20.3 The Third Sector Partnership said that the Third Sector should be considered part of the solution as well as a factor in the economic regeneration of the city. They said that they generated income for the city which could be reinvested into preventative services. However, the threat to the Third Sector's funding was impacting on their ability to generate income.

## **21. Focus on prevention**

Whilst sympathising with the council's financial position, the Third Sector Partnership argued that the sector's early intervention and preventative work saves the council money by dealing with issues before they require the council's involvement. If the funding provided through the Community Initiatives Team ceases, this will mean an increased work load for the council as they will pick up work that the sector currently undertakes. This, they argue, has not been fully taken into account.

**22. The budget consultation process**

The Carer's group, Wolverhampton Interfaith and Regeneration Network, Women of Wolverhampton and the Over 50's forum all raised concerns about the ability to comment meaningfully on the proposals based on the information provided. The proposals in the booklet provided by the council were described as vague and lacking in detail.

**23. Savings ideas**

Several savings ideas were suggested by participants including: maximising opportunities to attract external funding into the city (from Europe, for instance); turning street lights off in certain areas after midnight; selling council assets; attracting sponsorship for flower beds; reducing the wages of the Chief Executive and senior officers; stopping the refurbishment of the civic centre; turning down the heating in public buildings; reducing weekly household bin collections to fortnightly; introducing a 50 pence charge for all public toilets (with an exemption for radar key holders); stopping staff from retiring at the age of 55; making on the spot fines for vandalism, graffiti, anti-social behaviour, and fly tipping; and compelling householders to take responsibility for sweeping outside their own houses.



# Cabinet (Resources) Panel

## 11 February 2014

<b>Report title</b>	Quarter Three Treasury Management Activity Monitoring	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key decision</b>	No	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable 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	Assistant Director Finance
	Tel	01902 556609
	Email	Mark.Taylor@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	N/A	

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### Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The contents of this report and in particular that the Council is continuing to operate within the Prudential and Treasury Management Indicators approved by Council, and also within the requirements set out in the Council's approved Treasury Management Policy Statement.



## 1.0 Purpose

- 1.1 This report provides a monitoring and progress report on Treasury Management Activity for the third quarter of 2013/14, 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 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 £1.0 million for the General Fund and £3.0 million for the Housing Revenue Account (HRA) for 2013/14.

## 2.0 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 2011. 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 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.

### 3.0 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**

	<b>Approved Budget £000</b>	<b>Forecast Outturn £000</b>	<b>Variance £000</b>
General Fund	22,767	21,753	(1,014)
Housing Revenue Account	15,774	12,799	(2,975)
<b>Total</b>	<b>38,541</b>	<b>34,552</b>	<b>(3,989)</b>

- 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 £1.0 million for the General Fund and a saving of £3.0 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 Council in September 2013.

#### 4.0 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**

	2012/13 Actual	2013/14 Forecast
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 rates for the year are shown in Table 3 below.

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

Current Rates	As at 31 December 2013
5 Year Maturity Loan Rate	2.76%
10 Year Maturity Loan Rate	3.88%
25 Year Maturity Loan Rate	4.44%

- 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 B 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 C includes Capita commentary for quarter three 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 £96.8 million, as shown in Appendix F. £36.5 million of temporary borrowing has been taken out during quarter three, and £4.4 million of PWLB borrowing repaid. Appendix D shows a detailed breakdown of new loans and repayments made throughout the year.
- 4.7 Appendix E shows a graphical summary of current borrowing by type; fixed and variable as at 31 December 2013.
- 4.8 Appendix F 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.

## 5.0 Investment Forecast for 2013/14

- 5.1 The approach during the year is 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 30 September 2013 and 31 December 2013.

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

	<b>30 September 2013</b>	<b>31 December 2013</b>
	<b>£000</b>	<b>£000</b>
Business Reserve Accounts	4	4
Money Market Funds	70	5,960
	<b>74</b>	<b>5,964</b>
Average cash balance for the year to date	44,273	33,664

- 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 balance for the third quarter of the current financial year has moved between a low of £119,000 and a maximum of £24.9 million. The average cash balance for the quarter being £10.9 million.
- 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%	0.46%

- 5.6 The average rate of interest receivable by the Council is estimated to fall significantly from 0.71% to 0.46% 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 counterparty 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 G shows the Council's current specified investments lending list.
- 5.10 In quarter three 2013/2014 the Assistant Director Finance has not been required to use his discretion to temporarily exceed any upper limits with approved counterparties.

## **6.0 Financial implications**

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

[SH/31012014/C]

## **7.0 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/31012014/D]

## **8.0 Equalities implications**

- 8.1 This report has no equality implications.

## **9.0 Environmental implications**

- 9.1 This report has no environmental implications.

## **10.0 Schedule of background papers**

Treasury Management Activity Monitoring – Mid Year Review 2013/14, Report to Cabinet (Resources) Panel, 26 November 2013

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

Annual Treasury Report 2012/13 & 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

## 11.0 Schedule of Appendices

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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			As at December 2013		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
General Fund	9.3%	12.3%	12.9%	8.6%	10.5%	14.4%
HRA	13.3%	12.9%	11.8%	13.4%	13.1%	13.0%

**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			As at December 2013		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Forecast	Forecast	Forecast	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	73.01	201.63	246.99
Financial Year Impact	103.15	145.53	163.21	73.01	201.63	246.99
For average weekly housing rents						
Implications of the Capital Programme for Year	0.91	1.67	1.75	2.71	4.59	5.27
Financial Year Impact	0.91	1.67	1.75	2.71	4.59	5.27
For Band D council tax (After council tax reform)						
Implications of the Capital Programme for Year	-	12.25	12.25	(30.38)	(12.07)	1.01
Marginal Impact to 2013/14 Treasury Management Strategy	-	12.25	12.25	(30.38)	(12.07)	1.01
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	56.78	156.82	192.10
Financial Year Impact	80.22	113.18	126.93	56.78	156.82	192.10
For Band D council tax (Before council tax reform)						
Implications of the Capital Programme for Year	-	9.53	9.53	(23.63)	(9.39)	0.78
Marginal Impact to 2013/14 Treasury Management Strategy	-	9.53	9.53	(23.63)	(9.39)	0.78

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

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

	Approved by Cabinet 18 September 2013			As at December 2013		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
General Fund	137,040	67,287	21,388	140,696	111,799	36,889
HRA	52,359	43,271	23,621	75,255	57,928	30,477
	189,399	110,558	45,009	215,951	169,727	67,366



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			As at December 2013		
	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000
General Fund	472,390	481,236	473,693	466,601	569,450	578,215
HRA	318,992	314,669	299,326	340,217	352,603	347,163
	791,382	795,905	773,019	806,818	922,053	925,378

<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			As at December 2013		
	2013/14 Limit £000	2014/15 Limit £000	2015/16 Limit £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000
Borrowing	838,982	865,165	871,073	744,819	854,461	874,502
Other Long Term Liabilities	66,815	113,975	102,951	63,186	109,740	98,092
Total	905,797	979,140	974,024	808,005	964,201	972,594

<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			As at December 2013		
	2013/14 Limit £000	2014/15 Limit £000	2015/16 Limit £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000
Borrowing	820,095	856,151	868,089	724,784	828,526	865,307
Other Long Term Liabilities	66,815	104,293	102,951	63,186	100,057	98,092
Total	886,910	960,444	971,040	787,970	928,583	963,399

<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			As at December 2013		
	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000
HRA Debt Limit	356,771	356,771	356,771	356,770	356,770	356,770
HRA Capital Financing Requirement*	318,992	314,669	299,326	340,217	352,603	347,163
Headroom	37,779	42,102	57,445	16,553	4,167	9,607

**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

	Approved by Cabinet 18 September 2013			As at December 2013		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Forecast Capital Financing Requirement at end of Second Year	791,382	795,382	795,382	925,378	925,378	925,378
Gross Debt	617,330	652,134	662,730	621,329	761,942	796,758
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	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			As at December 2013		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Limit	Limit	Limit	Forecast	Forecast	Forecast
Upper limit for fixed rate	100%	100%	100%	81%	84%	85%
Upper limit for variable rate	20%	20%	20%	19%	16%	15%

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

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

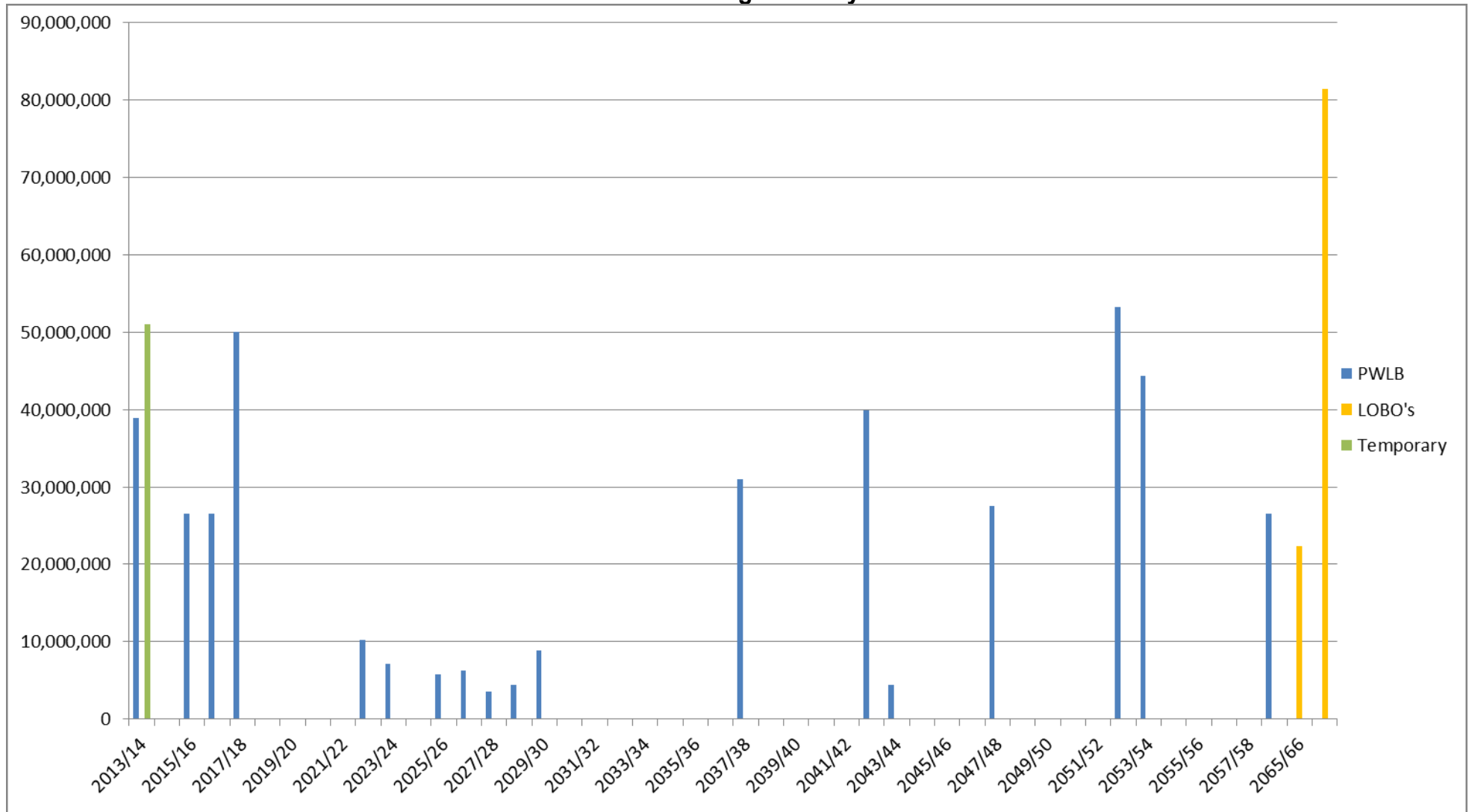
	Approved by Cabinet 18 September 2013			As at December 2013		
	Upper Limit	Lower Limit	March 2013 Forecast	2013/14 Forecast Borrowing	2014/15 Forecast Borrowing	2015/16 Forecast Borrowing
	Under 12 months	10%	0%	9.29%	9.90%	4.77%
12 months and within 24 months	15%	0%	6.34%	14.79%	16.23%	15.23%
24 months and within 5 years	20%	0%	13.34%	19.33%	17.35%	16.28%
5 years and within 10 years	20%	0%	4.12%	3.81%	4.13%	3.88%
10 years and above	90%	50%	66.91%	52.16%	57.51%	60.14%

**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			As at December 2013		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Limit £000	Limit £000	Limit £000	Forecast £000	Forecast £000	Forecast £000
Upper limit for more than 364 days	35,000	35,000	35,000	35,000	35,000	35,000

External Borrowing: Maturity Profile



## APPENDIX C

### Economic Background

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

The quarter ended 31 December 2013 saw:

- Signs that GDP growth may have accelerated;
- Evidence pointed to a moderation of household spending growth;
- Inflation fell to its lowest level since November 2009;
- Unemployment approached the MPC's 7% forward guidance threshold;
- The MPC maintained the stance of monetary policy;
- 10-year gilt yields rose to 3% and the FTSE 100 reach 6749;
- The Federal Reserve decided to reduce the size of its monthly asset purchases by \$10bn (from \$85bn to \$75bn).

### Interest Rate Forecast

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

	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
5yr PWLB rate	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
10yr PWLB rate	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
25yr PWLB rate	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
50yr PWLB rate	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%

Capita Asset Services undertook a review of its interest rate forecasts in late November, after the Bank of England's latest quarterly Inflation Report. This latest forecast now includes a first increase in Bank Rate in quarter 2 of 2016 (previously quarter 3) and reflects greater caution as to the speed with which the MPC will start increasing Bank Rate than the current expectations of financial markets.

### Capita Asset Services Forward View

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

There could well be volatility in gilt yields over the next year as financial markets anticipate further tapering of asset purchases by the Fed. The timing and degree of tapering could have a significant effect on both Treasury and gilt yields. Equally, while the political deadlock and infighting between Democrats and Republicans over the budget has almost been resolved the

## APPENDIX C

raising of the debt limit, has only been kicked down the road. A final resolution of these issues could have a significant effect on gilt yields during 2014.

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 evenly weighted. 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.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be tepid for the next couple of years and some EZ countries experiencing low or negative growth, will, over that time period, see a significant increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the large countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks currently include:

- UK strong economic growth is currently very dependent on consumer spending and recovery in the housing market. This is unlikely to endure much beyond 2014 as most consumers are maxed out on borrowing and wage inflation is less than CPI inflation, so disposable income is being eroded.
- A weak rebalancing of UK growth to exporting and business investment causing a major weakening of overall economic growth beyond 2014
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Prolonged political disagreement over the raising of the US debt ceiling.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in

## APPENDIX C

the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.

- 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; this will cause major difficulties in implementing austerity measures and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts, especially if it looks likely that one, or more countries, will need to leave the Eurozone.
- A lack of political will in France, (the second largest economy in the EZ), to dynamically address fundamental issues of low growth, poor international uncompetitiveness and the need for overdue reforms of the economy.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- 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.
- 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.

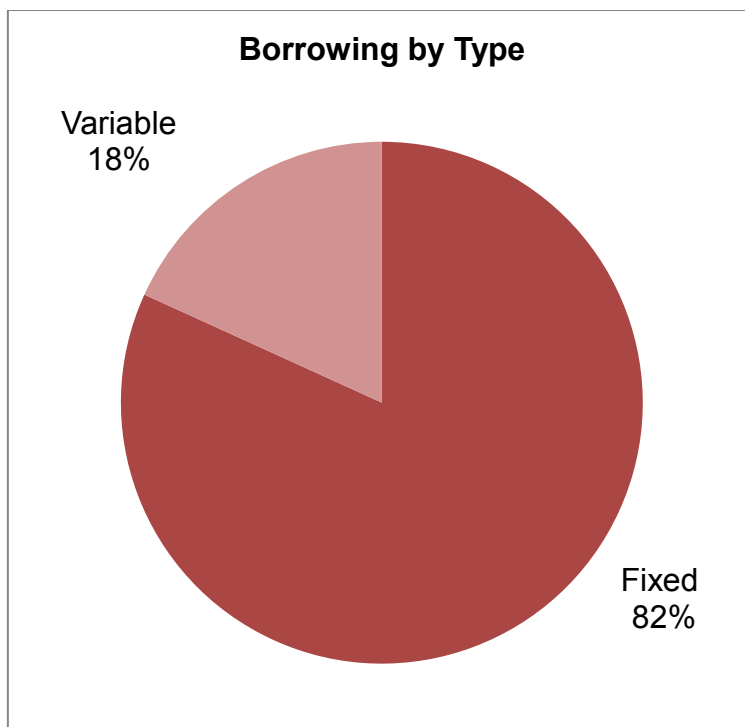
APPENDIX D

Borrowing and Repayments to Date in 2013/14

	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
<b>2013/14 Repayments-</b>					
PWLB Fixed Maturity			years		
465183	11/09/2013	4,434	25	9.500%	421
465073	15/12/2013	4,434	25	9.375%	416
		<b>8,868</b>			<b>837</b>
<b>2013/14 Borrowing-</b>					
Temporary Loans			days		
Greater Manchester Country Pension Fund	03/01/2014	14,600	95	0.400%	15
Shropshire Council	29/01/2014	5,000	92	0.400%	5
Greater Manchester County Pensions Fund	31/01/2014	12,000	92	0.430%	13
Dacorum Borough Council	03/02/2014	3,000	94	0.370%	3
Caerphilly County Borough Council	05/02/2014	5,000	92	0.290%	4
Hertfordshire Police & Crime Commissioner	28/02/2014	5,000	91	0.500%	6
Derbyshire Superannuation Fund	28/02/2014	5,000	91	0.500%	6
East Renfrewshire Council	28/02/2014	1,500	91	0.500%	2
		<b>51,100</b>			<b>54</b>

**Borrowing: Graphical Summary**

**As at 31 December 2013**





APPENDIX F

Disclosure for Certainty Rate

<b>Certainty Rate</b>						
This table details the information that is required to enable the Council to submit a return for 2013/14.						
	As at 20 February 2013			As at December 2013		
	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000
<b>Net Borrowing Requirement:</b>						
Borrowing to Finance approved Capital Expenditure	75,548	28,476	11,938	80,141	103,742	36,781
Existing Maturity Loans to be Replaced During the Year	38,977	-	26,605	38,977	0	26,605
Less:						
Minimum Revenue Provision for Debt Repayment	(13,900)	(17,370)	(18,178)	(12,226)	(13,574)	(17,322)
Voluntary Debt Repayment	(11,359)	(14,163)	(16,343)	(10,057)	(11,804)	(14,169)
	(25,259)	(31,533)	(34,521)	(22,283)	(25,378)	(31,491)
Loans Replaced Less Debt Repayment	13,718	(31,533)	(7,916)	16,694	(25,378)	(4,886)
Net Advance Requirement	89,266	(3,057)	4,022	96,835	78,364	31,895

**Wolverhampton City Council**  
**2013/14 Specified Investments Lending List as at 31 December 2013**

<b>Institution</b>	<b>Country (Sovereign Rating)</b>	<b>Limit £000</b>	<b>Term Limit</b>
Australia & New Zealand Banking Group Ltd	Australia (AAA)	10,000	6 mths
Bank Netherlandse Gemeenten	Netherlands (AA+)	20,000	12 mths
Bank of Montreal	Canada (AAA)	10,000	6 mths
Bank of New York Mellon, The	USA (AAA)	10,000	6 mths
Bank of Nova Scotia	Canada (AAA)	10,000	6 mths
Canadian Imperial Bank of Commerce	Canada (AAA)	10,000	6 mths
Clearstream Banking	Luxembourg (AAA)	20,000	12 mths
Commonwealth Bank of Australia	Australia (AAA)	10,000	6 mths
Cooperatieve Centrale Raiffeisen - Boerenleenbank	Netherlands (AA+)	5,000	3 mths
DBS Bank Ltd	Singapore (AAA)	10,000	6 mths
Hong Kong and Shanghai Banking Corporation Ltd	Hong Kong (AA+)	10,000	6 mths
HSBC Bank plc	UK (AA+)	10,000	6 mths
HSBC Bank USA	USA (AAA)	5,000	3 mths
National Australia Bank Ltd	Australia (AAA)	10,000	6 mths
Nordea Bank AB	Sweden (AAA)	10,000	6 mths
Nordea Bank Finland plc	Finland (AAA)	10,000	6 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	20,000	12 mths
Royal Bank of Canada	Canada (AAA)	10,000	6 mths
Standard Chartered Bank	UK (AA+)	10,000	6 mths
Svenska Handelsbanken AB (35 Day Notice a/c)	Sweden (AAA)	10,000	6 mths
Toronto Dominion Bank	Canada (AAA)	20,000	12 mths
United Overseas Bank Ltd	Singapore (AAA)	20,000	12 mths
Wells Fargo Bank NA	USA (AAA)	10,000	6 mths
Westpac Banking Corporation	Australia (AAA)	10,000	6 mths
<b>Nationalised Banks</b>			
<b>Lloyds Banking Group plc</b>			
Bank of Scotland plc (Corporate Instant Access a/c)	UK (AA+)	10,000	3 mths
Lloyds TSB Bank plc	UK (AA+)	10,000	3 mths
<b>Royal Bank of Scotland Group plc</b>			
National Westminster Bank plc (Call a/c)	UK (AA+)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA+)	10,000	3 mths
Ulster Bank Ltd	UK (AA+)	10,000	3 mths
<b>Money Market Funds</b>	<b>Fund Rating</b>		
Invesco Aim STIC Account	Fitch AAmmf	20,000	Instant Access
Ignis Sterling Liquidity Fund	Fitch AAmmf	20,000	Instant Access
Prime Rate Sterling Liquidity Fund	Fitch AAmmf	20,000	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access
Scottish Widows Sterling Liquidity Fund	Moody's Aaa-mf	20,000	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

## 11 February 2014

<b>Report title</b>	National Empty Homes Loan Fund	
<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>	All	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Private Sector Housing	
<b>Accountable employee(s)</b>	Richard Long	Housing Improvement Officer
	Tel	01902 555043
	Email	Richard.long@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	N/A	

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

The Cabinet (Resources) Panel is recommended to:

1. Approve that Wolverhampton City Council join the National Empty Homes Loan Fund (NEHLF) scheme.

## 1.0 Purpose

- 1.1 The purpose of this report is to seek approval for Wolverhampton City Council to join the NEHLF scheme.

## 2.0 Background

- 2.1 The NEHLF is a partnership between the Empty Homes Agency, Ecology Building Society, Central Government and participating local authorities in England. It provides loans of up to £15,000 to owners of empty properties, to help bring them back into affordable use. Homes must be renovated to a “Decent Homes” standard, which is a government standard that means the home is in good repair, has reasonably modern facilities and is warm and weatherproof.
- 2.2 The scheme was developed as owners of empty homes are often unable to access funds to bring empty properties back into use. NEHLF was launched in August 2013 and 58 local authorities have joined the scheme to date. These include Birmingham, Stoke Telford and Shropshire, and around 150 applications for loans have been made.
- 2.3 An application can be made in respect of any empty property that meets the required criteria, whether or not the relevant local authority is a member of the scheme. However, the advantages of joining the scheme are that the Council will be able to promote the scheme more effectively, and hopefully increase the take up. The applicant will not be subject to an administration and valuation fee (of around £600) which would be payable by the owner of an empty property in an area where the local authority has not joined the scheme. Also, the Council benefits from empty properties being brought back into use by increasing supply, improving neighbourhoods and increasing income through New Homes Bonus.
- 2.4 In brief, the NEHLF offer to owners is as follows –
- Maximum term of loan five years
  - Interest rates fixed at 5%
  - Repayable monthly by direct debit
  - Loan amount £5,000 to £15,000
  - Loan is a subsequent second charge
  - Works to deliver a decent home
  - Loan is paid on completion of the loan application, not on completion of the works
  - Works can be completed by whoever the property owner chooses
  - Property to be let at affordable rent (LHA in many areas)
  - Assured Shorthold tenancy agreements must be used
- 2.5 Wolverhampton Council has a range of options to assist owners of empty properties including: Private Sector Leasing (working with Wolverhampton Homes), a repair and lease scheme (working with Heantun Housing Association) and a recently approved enhanced leasing scheme directly funded by the Homes and Communities Agency. Membership of the NEHLF scheme will offer an additional alternative to owners of long

term empty properties which will be promoted as part of the adopted empty property strategy.

### **3.0 Scheme Details**

3.1 There are no capital costs to local authorities which join the scheme and there are no delivery targets or contracts to sign. Scheme members would be expected to promote the scheme in appropriate circumstances.

3.2 The role of the participating council is largely a matter of signposting owners (where appropriate) to the scheme. However, there are a number of checks and verifications prior to the property and owner being referred to the scheme by the local authority. These are:–

- To ensure that the applicant is aware of the general terms of the loan; this would include payment amounts and contract terms in respect of affordable rents etc.
- A copy of the Land Registry search for the empty property
- To verify the property had been empty for six months
- To have seen the property and advise that generally the amount of loan would enable an amount of refurbishment works that would deliver a decent home
- On completion to advise that the property has been completed as per the loan contract
- To offer a new tenant from the General Housing waiting list if agreed
- To ensure the tenant is either paying a rent within a choice based lettings rental scheme or paying an affordable rent and verify that point.

Many of the above items are carried out by Housing Improvement Officers on a day to day basis when dealing with empty properties.

3.3 The national lender will responsible for loan contracts and payments. Any breaches of the loan contract or default will be dealt with by the National Loan Manager and the National Lender. The National Lender will also complete the following –

- Contact the applicant verifying the application
- Undertake a valuation
- Verify the property ownership details
- Verify the equity in the property
- Verify the rental headroom in the property
- Issue a loan offer letter and a loan contract
- Arrange standing order payments
- Make payment of the agreed loan

Further details of the scheme are provided at Appendix A of this report.

#### **4.0 Financial implications**

- 4.1 There are negligible financial implications relating to background searches and scheme marketing which can be accommodated with existing budget provisions.
- 4.2 In joining this scheme, this allows the Council the opportunity to generate additional income through the New Homes Bonus, whilst improving housing supply.
- 4.3 It should also allow potential savings through enforcement as less enforcement action (such as Compulsory Purchase Orders and Empty Dwelling Management Orders) would be necessary. It will also mean that enforcement action will be more successful as we will be able to prove all other options have been made available and rejected.

[PE/07012014/Y]

#### **5.0 Legal implications**

- 5.1 Advice will be taken from the legal department if required during the operation of the scheme, however there are no direct legal implications arising as a result of the Council taking part in this initiative.

[MB/02012014/P]

#### **6.0 Equalities implications**

- 6.1 An initial screening of the proposal has been undertaken and a full analysis is not required in this instance.

#### **7.0 Environmental implications**

- 7.1 Long term empty properties can have a detrimental impact on neighbourhood sustainability and cause environmental blight. Membership of the NEHLF will give owners a further option to refurbish a long term empty property providing much needed sustainable accommodation as highlighted in the Housing Needs Survey (2007) and remove a potential magnet for anti-social behaviour. This will improve the appearance of neighbourhoods, enhance property conditions and contribute to the regeneration of the City, meeting the Council's strategic objectives.

#### **8.0 Schedule of background papers**

- 8.1 Appendix A

## National Empty Homes Loans Fund

Mortgages to help bring empty properties back into use



**For further information**

**Call - 0845 674 5566**

**Email - [mortgages@ecology.co.uk](mailto:mortgages@ecology.co.uk)**

**or write to the address below**

08/13



7 Belton Road, Silsden, Keighley, West Yorkshire, BD20 0EE  
T 0845 674 5566 F 01535 650780 E [mortgages@ecology.co.uk](mailto:mortgages@ecology.co.uk)

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# Introduction

## What is an empty home?

An empty home is a property which could be inhabited but is currently vacant. There are an estimated 920,000 empty homes in the UK, of which 710,000 are in England. 259,000 of these properties are long term empty homes, meaning that they have been empty for six months or more.

Empty homes are a wasted resource for the community and for the owner of the property. Nearly two million British families don't have adequate housing, yet at the same time almost a million properties are lying empty. When homes are left empty for a long period of time, they can fall into disrepair and can contribute to the decline of the local area.

## Bringing empty homes back into use

Currently, owners of empty homes are often unable to access funds to bring the properties back into use, creating a vicious cycle of decline in areas with high numbers of empty properties. At Ecology, we see bringing empty homes back into use as a form of recycling, which makes good use of available resources and helps to support sustainable communities. We have lent for the renovation of unused or derelict buildings since our origins in 1981, when we were founded by a group of activists in response to the lack of funding for such projects.

## The National Empty Homes Loans Fund

The National Empty Homes Loans Fund (NEHLF) is a partnership between the Empty Homes Agency, Ecology Building Society, central government and participating local authorities in England. It provides loans of up to £15,000 to owners of empty properties, to help bring them back into affordable use. Homes must be renovated to Decent Homes standard, a government standard which means that the home is in good repair, has reasonably modern facilities and is warm and weatherproof.

The Empty Homes Agency is working in partnership with a range of local authorities to help deliver this scheme. You can find a list of local authorities that are part of the scheme at [www.ecology.co.uk/emptyhomes](http://www.ecology.co.uk/emptyhomes).

There is no rigid list of works that may be eligible for a loan, but below are some of the common purposes for which the loan may be used:

- Improving home energy efficiency
- Insulation
- New non-uPVC double glazed windows/doors
- New kitchen or bathroom
- New roof
- Substantial repairs/replacements
- Any other works that help towards meeting the government Decent Homes standard, or other items of disrepair identified under the 2004 Housing Act or other relevant Acts.

You can employ a contractor of your choice to carry out the works.



## About the loans

### Who can borrow?

The NEHLF loan is available to owners of a property that has been empty for six months or more. If you are a joint or part owner of a property, you must have the consent of all the other owners to enter into a loan agreement.

All borrowers must be aged 18 or over. This mortgage is only available to UK residents and you must have a clean borrowing history and have been on the Electoral Register for the last three years.



If you have an existing mortgage on the empty property, Ecology Building Society will consider whether we can take the second or subsequent charge. You could also consider remortgaging your property with Ecology – please refer to our *Buy-to-let mortgages* leaflet for more details. Should you choose to remortgage with Ecology, please note that the information below relates only to the NEHLF part of your borrowing.

### Can I only take out a loan if my local authority has signed up to the scheme?

If your local authority is not part of the scheme, you can apply directly to Ecology Building Society. If you apply directly to Ecology, you will have to pay administration and valuation fees (see *Tariff of charges* below).

### How much can I borrow?

You can borrow any amount between £5,000 and £15,000. The amount of the NEHLF loan, alongside any other secured borrowing you have on the property, must not exceed 70% of the value of the property.

The amount that can be borrowed is also based on the anticipated affordable rental income generated by the property, which should be at least 20% more than the total monthly mortgage payment(s) on this property. This allows a safety margin for times when the property is not let.

Along with your personal income, any existing borrowings will also be taken into account in assessing whether we can lend you the amount you require.

### What type of mortgage is available?

The NEHLF loan is only available for a fixed term of five years on a full repayment basis.

## What is the interest rate?

The NEHLF loan has a fixed interest rate of 5.00%.

## How is interest calculated?

Please see section *Calculating your interest* in the *After your mortgage commences* leaflet.

## In more detail

### Mortgage repayments

You must have sufficient funds in hand to cover the initial mortgage payments while renovation works are being carried out or in case there is some delay in finding tenants. All monthly mortgage payments will be made by Direct Debit from your bank account.

If during the five years of the NEHLF loan, you repay your mortgage in full or you make capital repayments in any year totalling more than 20% of your current debt, we'll apply an early repayment charge equivalent to 6% of the amount repaid. This charge will be waived if repayment takes place following the death of either a borrower or a borrower's partner. It will also not normally be charged if you take out another mortgage with us where the new mortgage commences on the date of redemption of the original loan. If you sell the property within the five year loan period, then the loan must be repaid and you will face an early repayment charge.

### Valuation

We will ask our valuer to give a valuation based on the property in its current state and also to give a figure for when the renovation has been completed. In order to provide a "when complete" figure, the valuer will need a copy of your plans and estimates, and these should be sent with your mortgage application form.

The valuation will not provide a detailed assessment of the condition of the property nor does it provide a guarantee that any purchase price is reasonable. We will also ask the valuer to give an opinion on the total monthly rental income the property could likely to generate when work is finished. This will be used to assess the affordability of the loan and to identify the affordable rent maximum for the property (see *Terms of letting* below).



## Insurance

You need to ensure that you have buildings insurance in place when we release the funds to you. If you are not insured or have had difficulty in obtaining suitable buildings insurance, the Empty Homes Agency may be able to help. You can contact the Empty Homes Agency via email on [emptyhomes@emptyhomes.com](mailto:emptyhomes@emptyhomes.com) or by telephone on 020 7921 4327.

## Terms of letting

All lettings must be arranged via individual Assured Shorthold Tenancies (or Short Assured Tenancies in Scotland) and normally be for periods not exceeding 12 months at a time. It will be your responsibility to ensure that while the property is let, it complies with all relevant legislation affecting residential accommodation let to tenants.

The loan will be subject to special conditions:

- The empty property must be refurbished to Decent Homes standard
- The property must be re-let at an affordable rent level, which will be agreed prior to the application. This should be no more than 80% of the open market rental value, as determined in the valuation, or a rental figure as specified by the Empty Homes Agency (which will not be lower than the local housing allowance for the area).

## Tariff of charges

If your local authority is part of the scheme and you apply through them, you will not have to pay administration or valuation fees. If you apply directly to Ecology, you will have to pay administration and valuation fees, as shown in the *Current residential mortgage rates and charges* leaflet.

## Solving problems

Our aim is to provide a high standard of service to all our borrowers. However, occasionally things can go wrong. When this happens, we want to put matters right as quickly as possible. We will handle any complaints which arise while you are borrowers fairly and speedily and will let you have details of our Internal Complaints Procedure on request. If we cannot resolve any complaint to your satisfaction, you will be able to refer it to the Financial Ombudsman Service.

## Standard of service

The Financial Conduct Authority has laid down detailed rules about residential mortgages. The policy adopted by the Society under these rules is not to offer you formal advice about our products but to provide you with full information about the particular type of residential mortgage we have available so you can decide if it is what you require. We follow a similar approach in relation to our mortgages where Financial Conduct Authority rules do not apply.



# How can I apply for a loan?

## The application process

*If your local authority is part of his scheme*, you should complete the online enquiry form on the Empty Homes Agency website at [www.emptyhomes.com](http://www.emptyhomes.com), if you have not already done so. They will put you in touch with your local authority representative, who will discuss your project and provide details to the Empty Homes Agency. The Empty Homes Agency will check that you are eligible for the scheme and will send your details to Ecology Building Society.

*If your local authority is not involved in this scheme*, you should complete our online enquiry form at [www.ecology.co.uk/emptyhomes](http://www.ecology.co.uk/emptyhomes), if you have not already done so. This will send your details to both Ecology and the Empty Homes Agency. The Empty Homes Agency will check whether your local authority intends to join the NEHLF scheme; if so, you may choose to wait until the local authority has joined the scheme, or continue with your application directly with Ecology Building Society. If the local authority does not intend to join the scheme, you will be able to continue your application directly with Ecology Building Society.

After discussing your proposal with you, and confirming in principle that we will be willing to consider an NEHLF loan, we will send an application form to you. This should be fully completed and returned to us with copies of your plans and estimates for the renovation works. If you are applying directly (rather than via your local authority) you should also send a cheque to cover the appropriate valuation fee and the application fee.

On receipt of your application, we will review the information you have supplied. If there are any queries we will contact you immediately to clarify the situation and then instruct a valuer. We endeavour to process all applications promptly and efficiently. If we are not able to consider a mortgage for any reason we will inform you promptly.

**YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON ANY MORTGAGE SECURED AGAINST IT.**



# Cabinet (Resources) Panel

11 February 2014

<b>Report title</b>	City Centre Transport and Movement Project Delivery Strategy	
<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>	St Peters	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Transportation	
<b>Accountable employee(s)</b>	Lydia Barnstable	Head of Transportation
	Tel:	01902 55584
	Email:	Lydia.Barnstable@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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## Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the revised delivery strategy for the City Centre Transport and Movement Project
2. Approve the funding of £1.60 million provided by £600,000 of DfT grant and £1.00 million from the Capital Programme Allocation.

## **1.0 Purpose**

- 1.1 The scope and delivery of the City Centre Transport and Movement Project has been reviewed as part of the continued governance of the city centre project. This report sets out a revised strategy for delivery of the project to ensure a good alignment with other elements of the City Centre Prospectus proposals and to ensure best use of resources

## **2.0 Background**

- 2.1 The City Centre Transport and Movement Project was developed to support the City Centre Prospectus and the redevelopment proposals set out within that document. The specific objectives were to improve the walking routes from the bus and railway stations and to improve the environment for pedestrians within the City Centre by reducing conflict with traffic. The project was envisaged to be funded through the capital programme allocation of £5 million with contributions from other funding sources as opportunities arose. Part of the funding was identified to be the Department for Transport (DfT) Grant awarded for Interchange Phase One that includes public realm works and improvement to routes to the bus and railway stations (approximately £600,000). The remainder of the funding was allocated from the City Centre Transport & Movement Enhancements budget allocation within the Capital Programme.
- 2.2 The overall detailed scheme has been the subject of extensive public consultation and changes were made to accommodate concerns raised, in particular those made by the bus companies, disabled persons and cyclists. The scheme delivery was envisaged to be executed in three phases, with Queen Street and Cleveland Street being constructed as phase one; Garrick Street, Market Street as phase two and the third phase including Lichfield Street, Queen Square, Victoria Street and Bell Street.
- 2.3 The contract to construct the first phase of the scheme was let in September 2013 with a value of approximately £1 million and works commenced in October 2013 with preliminary / facilitating activities undertaken before Christmas. The works in Queen Street are already in progress and scheduled for completion in April 2014.
- 2.4 A management governance review of the project has been undertaken and reflected on the current corporate budget situation and regeneration activities across the city and a revised programme for implementation of the City Centre Transport and Movement Project has been developed which reflects upon the progress to date with the development proposals. This is set out in detail below.

## **3.0 Progress, options, discussion, etc.**

- 3.1 The proposed revised implementation programme is to continue to construct the Queen Street improvements but not to progress with the Cleveland Street works for the time being. It is also proposed to bring forward the delivery of Princess Street which offers the opportunity to deliver a significant change in the street scene and to complement the Queen Street works. The attached plan (Appendix A) illustrates the proposed scheme

for Princess Street. This approach would require enabling works in Market Street and Garrick Street, the details of which will be the subject of a further report.

- 3.2 This delivery option has the advantage of supporting the Interchange, maximising grant already secured and would visibly deliver one of the key objectives of the overall scheme i.e. improvement to the pedestrian links between the retail and civic areas and the Interchange and support the Council's investment in Block 10 and proposed redevelopment of the railway station. The improvement to Princess Street would deliver a new pedestrianised area within the city enhancing pedestrian movement and is not linked to other city centre redevelopment proposals.
- 3.3 The cost of these works will need some further detailed appraisal but is estimated to be in the region of £1.60 million, including expenditure already incurred on the design and development of the project. This option would utilise the DfT grant of £600,000 so reducing the immediate borrowing requirement to £1.00 million.
- 3.4 This suggested approach delivers the key benefits of the scheme at an early stage but would not prejudice the implementation of the wider transport and movement scheme which could be brought forward in the future to better align with regeneration and development as they come forward and as funding is secured.
- 3.5 It is also proposed to take the opportunity to review the future capital maintenance programme to seek to identify maintenance funding for Lichfield Street, Dudley Street and Market Street. The ability to include works to improve the environment for pedestrians at Exchange Street and the section of Bilston Street between Dudley Street and Garrick Street would also be explored. The funding for these additional works and maintenance is not currently identified and would need to be the subject of further work to review the scope and content of the work involved and the cost estimate.

#### **4.0 Financial implications**

- 4.1 The recommended implementation option set out in this report is estimated to cost £1.60 million. It is proposed that funding would be provided by £600,000 of DfT grant which is available to be drawn down in 2014/15 and £1.00 million from the existing Capital Programme allocation of £5.00 million. The costs of the additional works outlined in paragraph 3.5 above are not yet known and would need to be subject of a further report. The revised delivery strategy has the benefit of reducing the capital borrowing requirement in the current and future financial years with a resulting beneficial impact on the Council's Medium Term Financial Plan. [RT/30012014/D]

#### **5.0 Legal implications**

- 5.1 There will be some amendments required to Traffic Regulation Orders as a consequence of this revised phasing approach which will be the subject of a separate report. [JH/28012014/F]

## **6.0 Equalities implications**

- 6.1 A detailed Equalities Impact Assessment has been undertaken for the City Centre Transport and Movement Project and will be subject to on-going review as the project is implemented. No new equalities issues are raised as a result of the proposed amended implementation strategy.

## **7.0 Environmental implications**

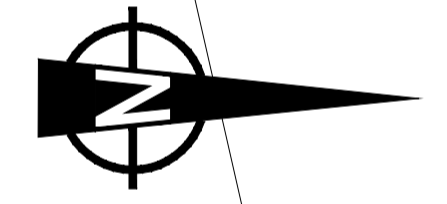
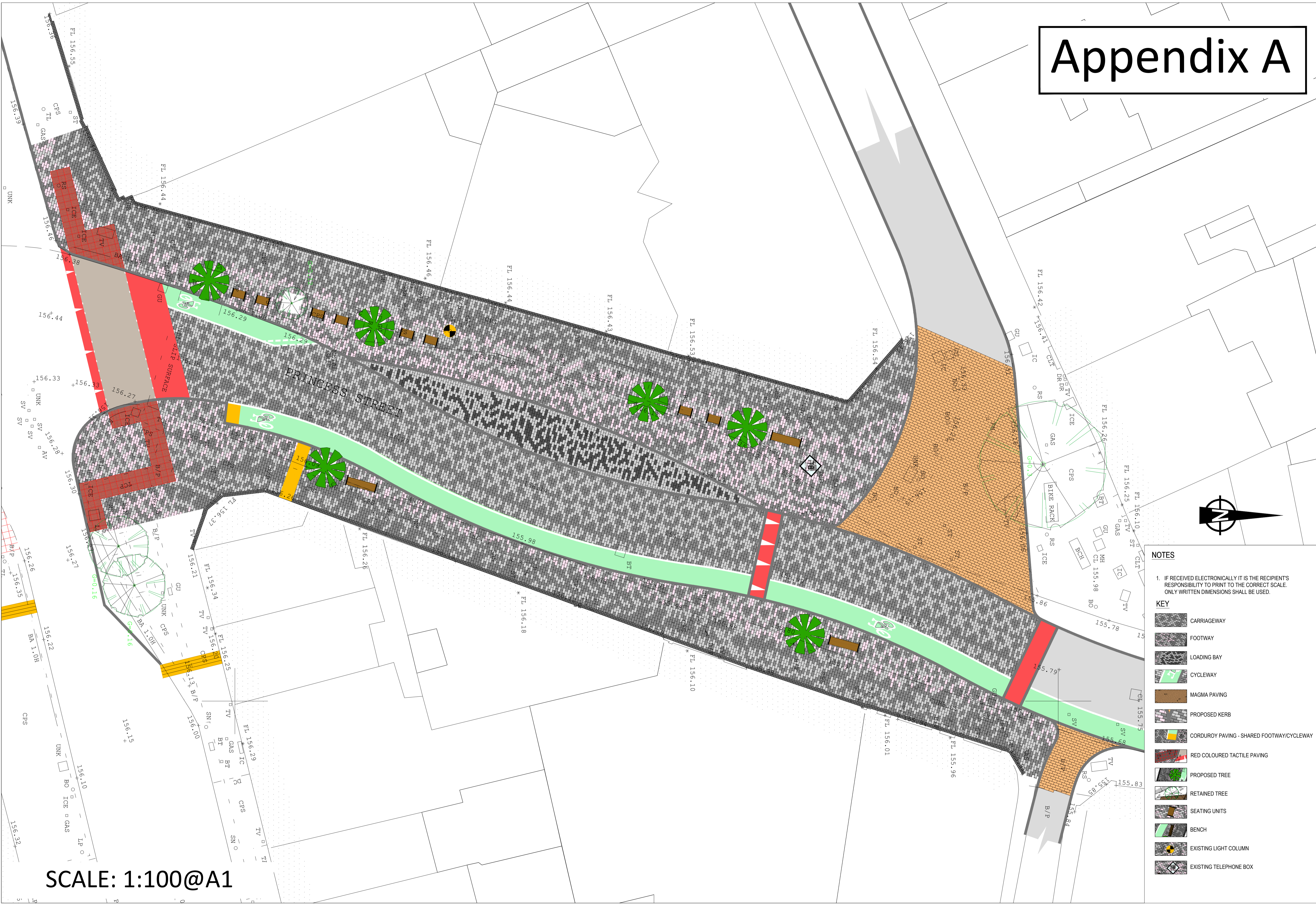
- 7.1 The City Centre Transport and Movement Project is designed to improve the environs in the city especially for pedestrians by enhancing the quality and appearance of the streets and reducing conflict with traffic.

## **8.0 Schedule of background papers**

- 8.1 Report to Cabinet dated 5 March 2013 - City Centre Transportation and Public Realm Improvements – Outcome of Consultation and Revised Scheme



# Appendix A



- NOTES**
1. IF RECEIVED ELECTRONICALLY IT IS THE RECIPIENT'S RESPONSIBILITY TO PRINT TO THE CORRECT SCALE. ONLY WRITTEN DIMENSIONS SHALL BE USED.
- KEY**
- CARRIAGEWAY
  - FOOTWAY
  - LOADING BAY
  - CYCLEWAY
  - MAGMA PAVING
  - PROPOSED KERB
  - CORDUROY PAVING - SHARED FOOTWAY/CYCLEWAY
  - RED COLOURED TACTILE PAVING
  - PROPOSED TREE
  - RETAINED TREE
  - SEATING UNITS
  - BENCH
  - EXISTING LIGHT COLUMN
  - EXISTING TELEPHONE BOX

SCALE: 1:100@A1

1/2/2014 2:54 PM  
 J:\BIM\WORK\PROJECTS\2014\1401\1401\_VOL CITY CENTRE PROJECT\A1\_35

# Appendix B





# Cabinet (Resources) Panel

## 11 February 2014

<b>Report title</b>	Revisions to the Private Sector Housing Policy	
<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>	All	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Education and Enterprise	
<b>Accountable employee(s)</b>	Lisa Morgan	Housing Improvement Officer
	Tel	01902 554746
	Email	Lisa.morgan@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	n/a	

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### Recommendation for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the amendments to the existing Private Sector Housing, Small Works Assistance Grants policy under the Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 to remove the repayment requirements for grants up to a value of £500.

### Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

1. If the cost to the housing capital budget reaches £4,000 during a financial year, a report will be submitted to Cabinet (Resources) Panel reviewing the policy.

## **1.0 Purpose**

- 1.1 The purpose of this report is to request that Cabinet (Resources) Panel approves the amendments to the existing Private Sector Housing Small Works Assistance Grants policy under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to remove the repayment requirements for grants up to the value of £500.
- 1.2 It is proposed that all works carried out up to a value of £500 are carried out through the handyperson scheme.
- 1.3 Grants made for works carried out with a value between £500 and £5,000 will remain repayable on demolition, sale or change of ownership, through a charge being added to the property.
- 1.4 All grant criteria and eligibility are to remain the same; applications will be processed through Housing Services.

## **2.0 Background**

- 2.1 At its meeting of 5 December 2012, Cabinet approved the delivery of private sector housing assistance measures through an "in house" Home Improvement Service. The housing assistance policy provides for repayable emergency small works assistance grants to assist vulnerable homeowners to deal with housing matters which potentially compromise their health and safety.
- 2.2 The small works assistance grants scheme targets owner occupier households with limited income. It is used for works of an urgent nature considered to be dangerous or prejudicial to health and includes electrical and gas safety as well as security improvements.
- 2.3 Small works assistance grants are available across the City through Wolverhampton Home Improvement Service (WHIS) via the Handyperson Scheme, to owner-occupiers over 60 years of age who are in receipt of means-tested benefits. A maximum grant of £5,000 per application is available for works where there is immediate risk to the householder. The grant is payable for works to address situations which are considered to be dangerous (category 1 hazards under the Housing Health and Safety Rating System) or likely to be "prejudicial to the health" of the occupants. These defects should be of an "acute" nature rather than indicative of a "chronic" long-standing or gradual degenerative condition. The exception to this may be in circumstances where long standing rot /infestation or disrepair would lead to imminent risk of collapse of a part of the structure.
- 2.4 The housing capital programme approved by Council on 1 March 2012 included a budget of £1.0 million per annum for five years for small works assistance from 2012/13.

### **3.0 Rational**

- 3.1 Early feedback from the operation of WHIS has highlighted that the need to provide a more reactive service to deal with acute issues and the current policy of requiring all grants to be repayable regardless of the amount, discourages the most vulnerable residents in the city from using the service. The potential recipients of these grants are frequently very vulnerable and the complexity involved in explaining the process of making small charges on their property in order for the works to be carried out often results in them refusing assistance. This leads to the resident continuing to endure substandard housing conditions. This may have a continuing detrimental impact on their health and well-being and require a greater input from public sector services.
- 3.2 It is proposed therefore to amend the housing assistance policy to remove the repayment requirement for small works assistance grants under the value of £500.
- 3.3 The costs to the Council of registering small charges of less than £500 represent a significant proportion of the cost of administering the scheme. The proposed changes will reduce the administrative and legal cost to the authority as well as ensuring that more vulnerable people are able to access a suitable and cost effective service.
- 3.4 Progress on expenditure and assistance delivered will be monitored monthly through the WHIS reporting mechanism housing strategy delivery plan.

### **4.0 Financial implications**

- 4.1 Non-repayable grants will be an immediate non-recoverable cost to the housing capital programme. The policy limits the non-recoverable element to works costing less than £500.
- 4.2 Under the current policy, the administration of an individual grant including Land Registry fees and reclaiming the charge is between £150 and £280 per property. Assuming the minimum administrative cost level and maximum cost of works, the maximum cost to the housing capital programme is £350 per grant. In 2013/14 there have been no grants made under £500. It is not possible to estimate the number of grants under £500 which will be made, however if the cost to the housing capital budget reaches £4,000 during a financial year, a report will be submitted to Cabinet (Resources) Panel reviewing the policy.

[CF/18122013/V]

### **5.0 Legal implications**

- 5.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 confers a power on local authorities to improve living conditions in their area. It provides that assistance can be given for a range of matters including repairing living accommodation and its adaptation or improvement. Housing assistance can be provided in any form (i.e. grant or loan) and can be made subject to conditions. This power to provide assistance

can only be exercised once a policy has been adopted and published. Thereafter the local authority can only provide assistance in accordance with that policy. The recommendations within this report are consistent with the Council's strategic objectives in operating the housing assistance policy.

- 5.2 The proposed alteration to the policy would represent a cost saving to the Council due to the reduction in administration of local land charges and follow up administration through Legal Services. [RB/20122013/A]

## **6.0 Equalities implications**

- 6.1 Initial equality analysis has been completed a full analysis is not required.

## **7.0 Environmental implications**

- 7.1 Small works assistance grants enables Housing Services to improve the standard of housing in the City, reduce inequalities and potentially reduce carbon emissions in line with the Council's sustainability strategy; in turn this will improve the function, amenity and visual impact of the City neighbourhoods.

## **8.0 Human resources implications**

- 8.1 Administration of the grants received will be contained within existing resources from Housing Services.

## **9.0 Schedule of background papers**

- 9.1 Housing Assistance in Wolverhampton 11 April 2012 Cabinet report,  
Delivery of Housing Assistance Policies, 5 December 2012 Cabinet Resources Panel  
Regenerating Wolverhampton, Cabinet Team – 26 April 2004  
The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002  
Housing Renewal Guidance – ODPM Circular 05/2003

## Equality Analysis - Stage One – Initial Analysis

**What you are analysing?...Private Sector Housing assistance amendments to policy, Cabinet resources 11.02.14.....**

Is it a; service  function  policy  procedure

Is it? A new service, function, policy or procedure

An existing service, function, policy or procedure

An amended or revised service/ function/ policy/ or procedure

1. What are the main aims and objectives or purpose of the service, function, policy or procedure (proposal)? What needs or duties is it designed to meet?	<b>To assist more people improve their housing conditions by reducing cat 1 hazards</b>
2. Who is or will be affected by this proposal?	<b>Owner occupiers on income related benefits who are 60+ or registered disabled</b>
3. Is the proposal affected by external drivers for change? (e.g. new or amended legislation, national policy, external inspections etc.)	<b>No</b>
4. Who is responsible for defining and implementing this proposal?	<b>Private Sector Housing Team</b>
5. How does Wolverhampton City Council interact with other bodies or organisations in relation to the implementation of the proposal?	<b>WCC are the sole administrators of this grant</b>
6. What analyses, information or data relating to the proposal already exist?	<b>Amount of existing grants administered to date.</b>
7. Is there any evidence of higher or lower take up under the proposal for any particular groups? (from formal monitoring or informal anecdotal evidence)	<b>Anecdotal evidence suggests that there will be a slight increase in take up of the grant if revised as proposed.</b>
8. Is there any evidence that the proposal may be directly or indirectly discriminatory?	<b>It directly assists those detailed in section 2.</b>

<p>9. If the proposal is discriminatory, can it be justified?</p>	<p><b>Yes, it assists a specific target group of the community who are most at risk from cat 1 hazards</b></p>
<p>10. If the proposal is not discriminatory, is there any evidence that it has a differential impact?</p>	<p><b>No</b></p>
<p>11. If there is a differential impact, is it likely to have an adverse impact on any group?</p>	<p><b>No</b></p>
<p>12. If there is an adverse impact, can that impact be justified?</p>	<p><b>N/A</b></p>
<p>13. What evidence have you used to make your judgment of discrimination and/or adverse impact?</p>	<p><b>The grant is only available to those owner occupiers on income related benefits 60 + or registered disabled excluding owner occupiers not in those categories.</b></p>
<p>14. If the discrimination/adverse impact cannot be justified, how do you intend to deal with it? Is there any alternative measure which would achieve the desired aim without the adverse impact identified?</p>	<p><b>Advice is given to the excluded group and alternative financial assistance/ contributions are signposted</b></p>
<p>15. Does or could, the proposal contribute to a specific duty in equality law?</p> <ul style="list-style-type: none"> <li>• eliminate discrimination, harassment and victimisation</li> <li>• advance equality of opportunity between people from different groups</li> <li>• foster good relations between people from different groups.</li> </ul>	<p><b>The regulatory reform (Housing Assistance)(England and Wales) Order 2002 confers a power to improve living conditions in their area. It also advances equality of opportunity and fosters good relations from different groups</b></p>



	<b>by improving the standard of housing.</b>
16. Are there any groups which might be expected to benefit from the intended outcomes but do not?	<b>Expected increase on take up of grants to those eligible.</b>
17. Is the proposal intended to increase equality of opportunity by permitting or requiring action to redress disadvantages? If yes, is it lawful?	<b>Yes, this grant aims to redress the disadvantages that exist amongst vulnerable people, which is lawful. Monitoring will be undertaken on this.</b>
18. Have you consulted as part of your analysis? Who have you consulted? What methods did you use?	<b>No consultation has taken place, once the parameters of the grant have been agreed advertisement of the grant will be undertaken. There will be comparative analysis regarding the take up of grants as part of the grant monitoring process. The grant is advertised on WCC website and as part of the work that WHIS deliver to private sector residents.</b>
19. Is there any public concern (in the media etc.) that the proposal is being operated in a discriminatory manner?	<b>No</b>
20. Have there been any important demographic changes or trends locally? If so, are these anticipated or dealt with by the proposal?	<b>2011 census information states that the proportion of the household population aged 65+ with long term health problems or disabilities has</b>

	<b>increased from 2001 census by 52%. Older people are also remaining in their own homes rather than moving to residential care, 26% of all home owners are aged 65+.</b>
21. How is information about the proposal publicised?	<b>The alterations to the policy will be advertised through Wolverhampton Home Improvement Service (WHIS)</b>
22. How will you monitor in future?	<b>Monitoring of applications and deliver of the grant will be monitored on a monthly bases and expenditure over £4000 will be reported to cabinet. WHIS will monitor all grant delivery.</b>
23. Is there any other relevant information?	<b>No</b>



# Cabinet (Resources) Panel

## 11 February 2014

<b>Report title</b>	Discretionary Rate Relief – Amendments to Local Scheme	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Delivery	
<b>Originating service</b>	Revenues & Benefits	
<b>Accountable employee(s)</b>	Sue Martin	Head of Revenues & Benefits
	Tel	01902 554772
	Email	Sue.martin@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board	6 February 2014

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

The Cabinet (Resources) Panel is recommended to:

1. Approve the following additions to the local scheme for Business Rate Discretionary Relief:
  - a. A discount of up to £1,000 per year in 2014/15 and 2015/16 for any occupied retail premises with a rateable value below £50,000
  - b. A 50 per cent business rates relief for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises which have been empty for a year or more
  - c. An exemption for newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months.

2. Delegate authority to the Cabinet Member for Resources in consultation with the Strategic Director Delivery to finalise the policy detail on receipt of Government Guidance.
3. Delegate authority to the Head of Revenues and Benefits to award of relief in respect of these new additions to the scheme, noting that updates on the numbers and value of such awards will be reported to Cabinet (Resources) Panel for information on a quarterly basis.

## **1.0 Purpose**

- 1.1 To seek approval to include the following additional categories within the Council's local scheme for Business Rate Discretionary Relief.
- a) A discount of up to £1,000 per year in 2014/15 and 2015/16 for any occupied retail premises with a rateable value below £50,000
  - b) A 50 per cent business rates relief for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises which have been empty for a year or more.
  - c) An exemption for newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months.

## **2.0 Background**

- 2.1 In the Autumn Statement 2012 the Government announced its intention, subject to consultation, to exempt all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months.
- 2.2 Consultation closed in July 2013 and subsequently the Government confirmed its intention to proceed with the proposal.
- 2.3 In the Autumn Statement 2013 the Government announced further relief measures to provide support to the retail sector.
- 2.4 As each measure is temporary the Government is not amending legislation. Instead councils are being directed to use their discretionary relief powers, introduced by the Localism Act, to grant relief.
- 2.5 Before being able to grant relief in any individual case the Council must adopt a local scheme.
- 2.6 Government guidance has been issued in respect of the exemption for new commercial property. Draft guidance has been issued for the £1,000 retail discount. No guidance has yet been issued in respect of the retail reoccupation relief.
- 2.7 The Government has announced that it will reimburse councils for the actual cost of relief granted in accordance with its guidance.

## **3.0 Revising the Local Scheme**

- 3.1 Adopting the new categories of relief would benefit those individual businesses that would see a reduction in their rates liability and would benefit the Council due to a reduction in the amount of rates to collect.
- 3.2 Whilst the Council would be using discretionary powers to award the new categories of relief, reimbursement for the cost is conditional on following Government guidance. It is

therefore essential to ensure that revisions to the local policy restrict relief to the circumstances specified by Government.

- 3.3 It is recommended that the local scheme be revised with immediate effect to allow an exemption for newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months. The local policy would be amended to reference Government guidance which is listed under background papers below.
- 3.4 It is recommended that the local scheme be revised with effect from 1 April 2014 to allow:
- a) A discount of up to £1,000 per year in 2014/15 and 2015/16 for any occupied retail premises with a rateable value below £50,000
  - b) A 50 per cent business rates relief for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises which have been empty for a year or more.

The local scheme would be amended to reference Government guidance once it is published. Detailed policy wording would be authorised by the Cabinet Member for Resources in consultation with the Strategic Director Delivery prior to any awards being made.

- 3.5 Awards under the current scheme of discretionary relief are authorised by Cabinet (Resources) Panel. There is however likely to be a higher volume of awards under these new categories. Due to this and the fact that awards will be fully funded by Government, it is recommended that authority to agree awards is delegated to the Head of Revenues and Benefits. Details of the number and value of awards would be reported to Cabinet (Resources) Panel for information on a quarterly basis.

#### **4.0 Financial implications**

- 4.1 The Government has announced that it will fully reimburse councils for the local share of any relief granted, provided such awards comply with Government guidance, through section 31 grant.
- 4.2 Initial estimates indicate that up to 1,200 retail businesses could benefit from the £1,000 retail premises discount and that the relief could be worth up to £1 million each year.
- 4.3 It is not possible to estimate at this stage the financial impact of exempting new commercial property or the retail reoccupation relief.

[CF/30012014/Z]

#### **5.0 Legal implications**

- 5.1 Section 47 of the Local Government Finance Act 1988 gives discretionary power to billing authorities to grant partial or full relief to certain categories of non-domestic ratepayer.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow for this relief to be restricted to a fixed period.

5.2 Section 69 of the Localism Act 2011 provides a new discretionary power to reduce business rates for any local ratepayer. It is this new power that the Government is directing billing authorities to use to award the new categories of relief.

5.3 It will be for the Council to ensure that any relief granted does not transgress state aid rules.

[JH/31012014/D]

## **6.0 Equalities implications**

6.1 A stage one equality analysis has been completed; no adverse impacts were identified.

## **7.0 Environmental implications**

7.1 The award of business rate relief as an incentive to occupy long term empty commercial property may have a beneficial impact on the number of empty premises.

## **8.0 Schedule of background papers**

8.1 Business Rates Information Letter (7/2013)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/240010/BR\\_IL - Sept 2013 .pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/240010/BR_IL_-_Sept_2013_.pdf)

8.2 Business Rates Information Letter (9/2013)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/264114/9-2013 - Business Rates Autumn Statement - 6 Dec final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/264114/9-2013_-_Business_Rates_Autumn_Statement_-_6_Dec_final.pdf)

8.3 New Build Empty Property Guidance

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/239343/Business Rates - New Build Empty Property - Guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/239343/Business_Rates_-_New_Build_Empty_Property_-_Guidance.pdf)



# Cabinet (Resources) Panel

## 11 February 2014

<b>Report title</b>	Changes to employee establishment (open)	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Paul Sweet Governance and Performance	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	n/a	
<b>Accountable director</b>	Keith Ireland, Delivery	
<b>Originating service</b>	Human Resources	
<b>Accountable employee(s)</b>	Sue Davies Tel Email	Chief Human Resources Officer 01902 554056 sue.davies@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	n/a	

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### Recommendations for noting:

The Cabinet (Resources) Panel is asked to note changes made to the employee establishment.



## **1. Purpose**

- 1.1 To provide information about the employee establishment changes which have been approved since the last meeting of the Panel.

## **2. Background**

- 2.1 The employee establishment changes as detailed in this report have been made in response to the service needs identified by each Director and have been subject to review by Finance and Human Resources to ensure that they are consistent with Council policies and procedures.
- 2.2 The grades and salary rates for posts in the schedules reflect Wolverhampton Council's local pay and grading structure unless posts are on terms and conditions currently outside of this e.g. teachers.
- 2.3 The payments of any supplements for acting up, secondments or 'market forces' have been approved in line with the Council's approved policies.
- 2.4 Consideration has been given to an appropriate exit strategy for any fixed term appointments.
- 2.5 At Appendix 1 is a summary of the establishment changes that are detailed in this report.

## **3. Equalities Implications**

- 3.1 The changes proposed fall within the Council's equality in employment policy and will be reflected in the Council's annual equality monitoring reports.

## **4. Environmental Implications**

- 4.1 None have been identified.

## **5. Financial Implications**

- 5.1 The Assistant Director Finance has considered the financial implications and confirmed that there is budgetary provision for each report.

[MH/20140131/P]

## **6. Legal Implications**

- 6.1 The redesignation/regrading proposals in this report will require a variation to employee terms and conditions of employment in accordance with the Employment Rights Act 1996.

[JH/28012014/X]

## 1. Delivery

This service will be subject to a further review as part of the Delivery Directorate Restructure scheduled for 2014.

### A Establish Full Time Temporary Post Recruitment Manager, Human Resources (15770)

No of posts	Post title	Grade	Annual Salary Rate fte	Job class	With effect for
1 x 37hrs	Recruitment Manager	7	£33,128 – £37,578	FF/A9/B460	3 months

#### Business Case

Wolverhampton City Council will be opening a temporary recruitment agency to supply the Council with temporary workers as and when needed.

The manager will co-ordinate all activity and manage the two grade 5 Consultants. The manager will also be looking at building relationships with the Council hiring managers to ensure a smooth transition of requirements to the Council from the current supplier.

The Manager will also need to ensure the pipeline of candidates from the general public is built up to ensure any demands on it are met.

The Manager will report directly to the Strategic Director of Delivery and the Councillors for Resources and Human Resources.

The benefits of this service will ensure savings to the Council in the long term of approximately £1.2 million a year.

#### Funding

The temporary Recruitment Manager will be seconded to Yoo Recruit Ltd and the costs met through the funding of that organisation.

**APPENDIX 1**

<b>Delivery Directorate</b>					
	Post Grade	Net Change			
		New Posts	Deletions	Grade Changes	Extensions to fixed term contracts
	Grade 11 and Snr Management				
	Grade 9 – 10				
	Grade 8				
	Grade 6 – 7	1			
	Grade 1 -5				
	<b>TOTAL</b>	<b>1</b>			



# Cabinet (Resources) Panel

## 11 February 2014

<b>Report title</b>	Schedule of Green Decisions	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	All	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Delivery	
<b>Originating service</b>	Democratic Services	
<b>Accountable employee(s)</b>	Matthew Vins	Graduate Management Trainee
	Tel	01902 554070
	Email	Matthew.vins@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	N/A	

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### 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**

<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>
<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) Wolverhampton Youth Orchestra / Youth Wind Orchestra Summer Tour to Italy 2014</b> That the Cabinet member for Schools, Skills and Learning, in consultation with the Strategic Director Education and Enterprise:</p> <p>(i) Approve the Wolverhampton Youth Orchestra and Wolverhampton Youth Wind Orchestra tour to Italy at the end of July 2014.</p> <p><b>(b) Local Pinch Point Fund – A449 Stafford Road Corridor</b> That the Cabinet Member for Economic Regeneration and Prosperity, in consultation with the Strategic Director Education and Enterprise:</p> <p>(i) Accept the offer from Government for</p>	<p>Strategic Director Education and Enterprise</p> <p>Strategic Director Education and Enterprise</p>	<p>Councillor Page</p> <p>Councillor Bilson</p>	<p>20.01.14</p> <p>28.01.14</p>	<p>C Norton Ext: 8105</p> <p>M Page Ext: 1798</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>
	(ii) £1.004 million of funding. Agree that a further report be taken to Cabinet (Resources) Panel for approval outlining the detailed funding and delivery arrangements.				

**PART II - EXEMPT 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>	<p><b>(a) Provision of advisors to act as shadow design team and construction workstream leads for the FutureSpace project</b> That the Cabinet member for Resources, in consultation with the Strategic Director Delivery:</p> <ul style="list-style-type: none"> <li>(i) Agree to the appointment of advisors for the FutureSpaces programme.</li> <li>(ii) Note that the role provides an essential input into the business case, and that if the final business case is not signed off, costs incurred prior to that date would become abortive and therefore would have to be charged to revenue.</li> </ul>	Strategic Director Delivery	Councillor Johnson	22.01.14	A Merrick Ext: 5216
<b>4. Education and Enterprise</b>	<p><b>(a) Appeal against the liquidation of Echo Estates Ltd</b> That the Cabinet member for Economic Regeneration and Prosperity, in consultation with the Strategic Director Education and Enterprise:</p> <ul style="list-style-type: none"> <li>(i) Approve that the Council lodges an appeal to the High Court to reverse or</li> </ul>	Strategic Director Education and Enterprise	Councillor Bilson	23.01.14	A Spinks Ext: 4317

This report is PUBLIC  
[NOT PROTECTIVELY MARKED]

<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>
	vary the decision of the liquidator to disallow a proof of debt submitted by the Council in the liquidation of Echo Estates Limited under the Insolvency Act 1988.				