



Cabinet Meeting

Minutes – 25 February 2014

Attendance

Members of the Cabinet

Cllr Roger Lawrence (chair)
Cllr Val Gibson
Cllr Andrew Johnson
Cllr Elias Mattu
Cllr Philip Page
Cllr John Reynolds
Cllr Sandra Samuels
Cllr Paul Sweet

Employees

Simon Warren	Chief Executive
Keith Ireland	Strategic Director - Delivery
Tim Johnson	Strategic Director - Education and Enterprise
Sarah Norman	Strategic Director - Community
Mark Taylor	Assistant Director - Finance
Wendy Trainor	Interim Chief Legal Officer
Dereck Francis	Democratic Support Officer

Apologies

Apologies for absence were submitted on behalf of Cllr Peter Bilson and Steve Evans.

Part 1 – items open to the press and public

Item Title
No.

MEETING BUSINESS ITEMS

2. Declarations of interests

Cllr Lawrence declared a non-pecuniary interest in agenda item 16 (Kingswood Nursery and Infant Centre – Update and Approval to Transfer to a Charitable Body) insofar as his wife is a Director of the Trust

Cllr Samuels declared a non-pecuniary interest in agenda item 5 (Voluntary Sector Community Initiatives Grant Funding 2014/15 and 2015/16) insofar as she is on the management committees for Heath Town Senior Citizens Club and the Gazebo Theatre in Education.

3. **Minutes of the previous meeting (22 January 2014)**

Resolved:

That the minutes of the previous meeting held on 22 January 2014 be approved as a correct record and signed by the Chair.

4. **Matters arising**

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

DECISION ITEM (Amber – delegated to the Cabinet)

5. **Voluntary Sector Community Initiatives Grant Funding 2014/15 and 2015/16**

Cllr Mattu outlined the salient points of the report on proposals for saving £1.6 million from the Council's voluntary sector grants budget. The proposals ensured that of the approximate £26.0 million external funding attracted by the voluntary sector £24.7 million would be safeguarded in 2014/15. Wherever possible the proposals aim to mitigate the impact upon individual organisations, services and citizens. These proposals will impact upon 42 organisations currently funded by the Council grant. Twelve organisations will continue to receive funding for the foreseeable future, seventeen organisations will continue to receive funding during 2014/15 and funding will cease for thirteen organisations. The Council will continue to work with all organisations to identify other sources of funding.

Resolved:

1. That the savings proposal to reduce the voluntary sector grant funding to the Voluntary Sector by £1.6 million as detailed in the table at Appendix A to the report be approved.
2. That continued grant funding support for the foreseeable future to twelve voluntary sector organisations whose work is most closely aligned to the Corporate Plan priorities as identified in the table at paragraph 6.5 and Appendix A to the report., namely: Access to Business; Afro-Caribbean Community Initiative (ACCI); Age UK; Citizens Advice Bureau, Haven; Heath Town Senior Citizens; Job Change; Little Brothers; St Columba's Day Centre; Wolverhampton City Credit Union; Wolverhampton Volunteer Service and establish a single allocation for Voluntary Sector Infrastructure Support Service be approved.
3. That continued grant funding support during 2014/15 to 17 voluntary sector organisations as identified in the table at paragraph 6.5 and Appendix A to the report during which time they will be able to investigate other, more sustainable, sources of external funding, other ways of delivering services and other income streams. These are Base 25; Church of God of Prophecy; Equality & Diversity Fund Projects (Aspiring Futures, Bilston Resource Centre, Engage Youth Empowerment Services (EYES), Equality & Diversity Forum (a 1 year project ending June 2014); Jubilee Community Support Centre; and Wolverhampton Somali Community) Gazebo Theatre in Education; LGBT Network (1 year project ending February 2015); One Voice; SEWA Centre (a 1 year project ending June 2014); Sickle Cell and

Thalassaemia Support; St Georges Charity; Wolverhampton Domestic Violence Forum; Wolverhampton Voluntary Sector Council and Youth Organisations of Wolverhampton (YOW) be approved.

4. That subject to final approval by Council in March 2014, three months' notice be given to those voluntary sector organisations whose funding would cease in May 2014. These are Blakenhall Community Advice Centre; BME United; Central Youth Theatre; Jericho House; Relate; Stratton Street Community Project; Wildside Activity Centre; Wolverhampton Community Radio; Wolverhampton Community Transport; Wolverhampton Gateway Clubs; Wolverhampton Samaritans; YMCA and Young in Wolverhampton Clubs.
5. That the Innovate to Save grants totalling £104,613 for Age UK Wolverhampton and BME United be approved.
6. That the priority work that is continuing to assist voluntary sector organisations to find alternative sources of external funding be noted.
7. That the response received from the Third Sector Partnership to consultation on the savings proposals from the voluntary sector grants as set out at Appendix B to the report be noted.

6. **Savings Proposals for Youth Services**

Cllr Gibson presented the report on outcome of the consultation exercise on delivering savings proposal for youth service and sought approval to recommendations made in response to the findings, including approval to receive further reports on proposals for the restructure of the youth service and the terms and conditions of its' employees.

Resolved:

1. That it be noted that due regard has been given to the Equality Analysis completed and attached at Appendix H to the report before approving the recommendations in the report.
2. That the following recommendations for the development and transformation of the Youth Service in light of the findings from the consultation exercise and Equality Analysis be implemented:
 - (a) A new structure is established to deliver the £1.1 million saving and £750,000 saving identified in the 23 October 2013 and 24 July 2013 Cabinet Reports in respect of the youth offer for young people in Wolverhampton.
 - (b) The establishment of a strategic youth work lead and integrated targeted youth work team directly managed though Children and Families Support Teams (C & F) (formerly Multi-Agency Support Teams (MASTs)) across eight areas.

- (c) A budget of £100,000 to be made available to support a range of provision including: small grants to local community organisations, some commissioned voluntary sector re-provision on local open-access youth provision in areas of particular need, and some specific pieces of targeted needs led work including support for local youth democracy.
3. That the proposed staffing structure be approved for formal consultation.
 4. That the comments made during pre-decision scrutiny by the Children and Young People Scrutiny Panel on 28 January 2014 be received and noted.
 5. That the findings of the consultation exercise that had taken place in relation to the proposed savings for the Youth Service be noted.
 6. That it be noted that the proposals agreed in the 24 July 2013 Cabinet report 'Transformation and Development of Youth Services' would now be amalgamated into the proposal contained in the report.

7. **Increase in Adult Social Care Non-Residential Contribution Rates**
Cllr Johnson presented a report on a recommended response to the extensive consultation exercise concerning the proposals for an increase to the current rates of service user contributions for Adult Social Care non-residential care as set out in the "Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19" report. In doing so he reported that it was worth noting that the proposed charges were still lower than other councils in the region.

Resolved:

1. That the proposals to implement increases to the current rates of service user contributions for Adult Social Care non-residential care – including Very Sheltered Housing and Supported Living services be approved.

Proposed Increases to maximum rates of contributions to the cost of adult social care non-residential support

Band	Benefits Received by Service User	Current weekly Contributions	Proposed new April 2014 rate (per week)
A	You (or your partner) receive a means-tested benefit* and you do not receive Attendance Allowance**	NIL	NIL
B/C	You (or your partner) receive a means-tested* benefit and you receive Attendance Allowance**	£7.66	£8.00

D/E	You (or your partner) receive a means-tested benefit* you receive Attendance Allowance** and an additional amount or premium*** for severe disability is paid to you	£58.25	£64.20
F	You (or your partner) do not receive a means-tested benefit* and you do not receive Attendance Allowance**	£51.10	£54.20
G/H	You (or partner) do not receive a means-tested benefit* and you receive Attendance Allowance**	£71.54	£74.20
J	You have savings above £23,250.	FULL COST OF SERVICE	FULL COST OF SERVICE

Proposed Increases to maximum rates of contributions to the cost of non-residential care and support at Pocklington Supported Living

Band	Benefits Received by Service User	Current weekly Contributions	Proposed new April 2014 weekly rate
A	You (or your partner) receive a means-tested benefit* and you do not receive Attendance Allowance**	NIL	NIL
B	You (or your partner) receive a means-tested* benefit and you receive lower rate Attendance Allowance**	£7.66	£8.00
C	You (or your partner) receive a means-tested* benefit and you receive higher rate Attendance Allowance**	£17.66	£18.00
D	You (or your partner) receive a means-tested benefit* you receive lower rate Attendance Allowance** and an additional amount or premium*** for severe disability is paid to you	£58.25	£64.20
E	You (or your partner) receive a means-tested benefit* you receive higher rate Attendance Allowance** and an additional amount or premium*** for severe disability is paid to you	£68.25	£74.20

F	You (or your partner) do not receive a means-tested benefit* and you do not receive Attendance Allowance**	£51.10	£54.20
G	You (or partner) do not receive a means-tested benefit* and you receive lower rate Attendance Allowance**	£71.54	£74.20
H	You (or partner) do not receive a means-tested benefit* and you receive higher rate Attendance Allowance**	£81.54	£84.20
J	You have savings above £23,250.	FULL COST OF SERVICE	FULL COST OF SERVICE

2. That the findings of a report on the outcome of the December 2013 - January 2014 public consultation on the proposed increase in Adult Social Care non-residential contribution rates, as set out in Appendix 2 of the report be noted
3. That the proposed "Council's response" to the issues raised in the course of the consultation exercise, as set out at section 3 of the report be noted.
4. That the Equality Analysis of the impact of these proposals, as set out in Appendix 3 of the report be noted.

8. **Community Infrastructure Levy Update**

Cllr Johnson presented the report on a consideration of the costs and benefits of implementing a Community Infrastructure Levy (CIL) in Wolverhampton. In light of current market conditions and up-to-date viability evidence it was proposed that the Council not pursue the introduction of a Community Infrastructure Levy (CIL) for Wolverhampton at the present time

Resolved:

1. That the Council not pursue the introduction of a Community Infrastructure Levy (CIL) for Wolverhampton at the present time.
2. That, unless there is a significant change in circumstances beforehand, the Council's position regarding CIL be reviewed again in 2016.

9. **i54 Management Company**

Resolved:

That the appointment of Nicholas Peter Edwards, Assistant Director for Regeneration as a Director to the Board of i54 Management Company be approved and the Council indemnify the employee in his role within the Company.

10. **Budget - Outcome of Consultation 2014/15**

Cllr Johnson presented the report on the feedback received from the consultation on the 2014/2015 budget and the initial responses to the consultation. He

reported that the room for manoeuvre was limited but he paid tribute to the way the consultations were carried out by the public and stakeholders. He announced that the offers of help and advice that came forward were touching. The Cabinet had considered the feedback received and its initial response was set out in paragraph 5 reports.

The final response to the consultation was included in the final budget referred to at Minute No.11 below The final response would also be fed back to those that participated in the consultation.

Resolved:

1. That 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 be received and noted.
2. That the initial response of Cabinet to the consultation taking into account the final budget Cabinet would be recommended to Council for approval on 5 March 2014
3. That it be noted that the final response would also be fed back to those that participated in the consultation.

DECISION ITEMS (Red – for decision by the Council)

11. **Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19**
Cllr Johnson presented the on the budget for recommendation to Full Council. The report also provided an update on budget consultation and scrutiny, as well as providing an update on general fund reserves and budget risks.

Resolved:

1. That Council be recommended to approve:
 - (a) The net budget requirement for 2014/15 of £237.6 million for General Fund services.
 - (b) The implementation of the additional savings proposals detailed at paragraph 5.4 of the report, subject to the outcome of appropriate scrutiny, consultation and equality analyses.
 - (c) A Council Tax for Council services in 2014/15 of £1,316.72 for a Band D property, being an increase of 1.99% on 2013/14 levels.
 - (d) The agreement and arrangements to phase the increased cost of pension contributions to West Midlands Pension Fund, following the results of the 2013 actuarial valuation, over the following six financial years.
 - (e) That authority to agree a composite employer's contribution rate with the West Midlands Pension Fund be delegated to the Assistant Director Finance (Section 151 Officer).

- (f) The formal response to the budget consultation, as detailed at section 10 and in particular the reinstatement of three Neighbourhood Warden posts, which had been reflected in the 2014/15 net budget requirement presented to Councillors for approval.
 - (g) That a minimum of £25 million of additional savings for 2015/16 should be identified and reported to Cabinet in June 2014, in order to demonstrate that a balanced budget can be achieved and that general reserves can be partially replenished.
 - (h) That additional savings for 2014/15 should be identified and reported to Cabinet in June 2014 and then Council in July 2014 in order to revise the 2014/15 budget and reduce the call on general reserves.
 - (i) That a further £35 million of additional savings should be identified, taking the total additional savings to be identified to £60 million, in order to address the projected budget deficit over the medium term to 2018/19.
 - (j) That due to the extreme uncertainty facing the Council and the potentially significant impact that this has on the accuracy of financial projections the period of the medium term financial strategy should continue to extend to 2018/19 only, for the foreseeable future.
 - (k) That the existing Wolverhampton City Council scheme for awarding Discretionary Rate Relief under Section 47 Local Government Finance Act 1988 be ended on 31 March 2015, in order that a new scheme can be implemented with effect from 1 April 2015.
2. That Council be recommended to note:
- (a) That the budget for 2014/15 is in balance after the use of £11.8 million of general balances .
 - (b) The changes to the 2014/15 draft budget for General Fund services, previously approved by Cabinet on 8 January 2014, as detailed at paragraph 6.2.
 - (c) That all other aspects of the draft 2014/15 budget and medium term financial strategy, previously approved by Cabinet on 23 October 2013 and 8 January 2014, remain unchanged.
 - (d) That, in the opinion of the Assistant Director Finance (Section 151 Officer), the 2014/15 budget estimates are robust.
 - (e) That, in the opinion of the Assistant Director Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year, noting also that projections indicate that the general balance will fall below the approved minimum of £10 million during 2014/15 and that whilst the policy on the use of reserves permits this, this can only be the case for a short period.

- (f) The Medium Term Financial Strategy as summarised at paragraph 2.2 of the report.
- (g) The work that is in progress on fees and charges for 2014/15, which would be reported to Cabinet (Resources) Panel on 11 March 2014.
- (h) That due to the uncertainty surrounding the future of public finances in 2015/16 and beyond, and the existing assumptions concerning the successful delivery of savings amounting to £66.7 million, the projected additional savings requirement of £60 million over the medium term could change significantly over the coming years as more information becomes available.
- (i) That having identified savings in excess of £100 million over the last four financial years, the extent of the financial challenge over the medium term represents the most significant that the Council has ever faced.
- (j) Note that Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions.

12. **Capital Programme 2013/14 to 2017/18 Quarter Three Review and 2014/15 to 2018/19 Budget Strategy**

Cllr Johnson presented the report on an update on the financial performance of existing schemes within the capital programme as at quarter three of 2013/14 and the budget strategy for 2014/15. The report also included a recommended revised General Fund capital programme for the period 2013/14 to 2018/19.

Resolved:

1. That the Council is recommended to approve:
 - (a) The revised medium term General Fund (excluding housing revenue account) capital programme of £315.6 million for the period 2013/14 to 2018/19 (paragraph 2.3);
 - (b) Additional resources for existing schemes totalling £3.6 million (paragraph 5.5);
 - (c) Additional resources for new schemes totalling £5.3 million (paragraph 6.1);
 - (d) Approve the capitalisation of Redundancy costs of £1.3 million under the capitalisation direction received from the Secretary of State on 17 January 2014 (paragraph 6.5).
2. That the virements totalling £298,000 in respect of Wilkinson Primary School, capital maintenance scheme and the demolition of the former Bilston Leisure Centre / former day centre be approved.

3. That the 2013/14 updated schedules of works for the following schemes be approved;
 - (a) Delivery ICTS Capital Programme (Appendix G1)
 - (b) Delivery Market Services Capital Programme (Appendix G2)
 - (c) Community Co-Location Capital Programme (Appendix G3)
 - (d) Community Review of Childrens Homes Capital Programme (Appendix G4)
 - (e) Community Urban Parks Capital Programme (Appendix G5)
 - (f) Education and Enterprise i54 Capital Programme (Appendix G6)
 - (g) Education and Enterprise Targeted Disposals Programme (Appendix G7)
4. That the medium term budget of £232.3 million for the Housing Revenue Account (HRA) as approved by Cabinet on 22 January 2014 be noted
5. That the additional resources for new schemes totalling £175,000 as approved by Cabinet (Resources) Panel on 7 January 2014 be noted.

13. **Treasury Management Strategy 2014/15**

Cllr Johnson presented the report which sets out the Council's Treasury Management Strategy for 2014/15 for approval by full Council. The strategy incorporated six elements, Treasury Management Strategy, the Annual Investment Strategy, the Prudential and Treasury Management Indicators, Minimum Revenue Provision (MRP) Statement, the Disclosure for Certainty Rate and the Treasury Management Policy Statement and Practices.

In presenting the report Cllr Johnson reported that the a typographical error in the formula on page 36 should be corrected by the substitution of the "+" for a "-".
The formula should be:

$$A - \frac{B - C}{D}$$

Resolved:

That Council be recommended to:

1. Approve that the authorised borrowing limit for 2014/15 as required under Section 3(1) of the Local Government Act 2003 be set at £1,006.6 million.
2. Approve the Treasury Management Strategy Statement 2014/15 as set out in Appendix A to the report.
3. Approve the Annual Investment Strategy 2014/15 as set out in Appendix B to the report.
4. Approve the Prudential and Treasury Management Indicators as set out in Appendix C to the report

5. Approve the Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2014/15 onwards as set out in Appendix D to the report.
6. Approve that the method used to calculate MRP for 2013/14 as set out in the Annual Minimum Revenue Provision (MRP) Statement approved by Council on 6 March 2013 be amended to the method as set out in Appendix D to the report.
7. Approve the Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix F to the report.
8. Note that Cabinet (Resources) Panel and Council would receive regular Treasury Management reports during 2014/15 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in paragraph 2.8 and Appendices B and C to the report.
9. Approve that authority continues to be delegated to the Assistant Director Finance to amend the Treasury Management Policy and Practices to ensure that they remain aligned with the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement. Any amendments would be reported to the Cabinet Member for Resources and Cabinet (Resources) Panel as appropriate.

14. **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>
15	Living Wage and Wolverhampton Pay Policy (Single Status)	4
16	Kingswood Nursery and Infant Centre – Update and Approval to Transfer to a Charitable Body	2

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

15. **Living Wage and Wolverhampton Pay Policy (Single Status)**

Cllr Sweet presented the report which sought approval to consider remove the link between the 'Living Wage' and the lowest pay point within Wolverhampton's pay structure on the basis that adopting the increases in the Living Wage would unreasonably close the gap between grade 1 and grade 2 or even leap-frog grade 1 over grade 2. This had the potential to create equal pay risks and damage the integrity of the Council's pay line.

Resolved:

That the removal of the link between the Living Wage and Grade 1 of the Council's pay model and not apply the Living Wage increase to the lowest pay point in Wolverhampton's pay model from £7.52 to £7.65 which became effective in November 2013 be approved.

16. **Kingswood Nursery and Infant Centre – Update and Approval to Transfer to a Charitable Body**

Cllr Page presented the progress report on the implementation of the recommendations for the transfer of Kingswood Nursery and Infant Centre to a Charitable Trust from 1 April 2014.

Resolved:

1. That the business transfer agreement in the terms set out in section 4 of the report be approved.
2. That a lease be granted to the Kingswood Trust for the site in the terms set out in section 4 of the report.
3. That the transfer, under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) arrangements, of Wolverhampton City Council employees located at Kingswood to the Kingswood Trust be approved.
4. That it be confirmed that in the light of the passage of time and changed Council circumstances, a grant agreement as recommended in the Cabinet report dated 11 April 2012, would not now be necessary.
5. That it be confirmed that Wolverhampton City Council would act as pensions "Guarantor" for six of its employees who are members of the West Midland Pensions Fund transferring to the Kingswood Trust.
6. That the appointment of the Cabinet Member for Schools, Skills and Learning as a director on the Board of the Kingswood Trust be approved.