

# Vibrant and Sustainable City Scrutiny Panel

7 November 2019

**Time** 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny

**Venue** Committee Room 3 - Civic Centre

## Membership

**Chair** Cllr Mak Singh (Lab)  
**Vice-chair** Cllr Paul Appleby (Con)

### Labour

Cllr Mary Bateman  
Cllr Philip Bateman MBE  
Cllr Greg Brackenridge  
Cllr Alan Butt  
Cllr Jacqui Coogan  
Cllr Bhupinder Gakhal  
Cllr Keith Inston  
Cllr Beverley Momenabadi  
Cllr Martin Waite

### Conservative

Cllr Christopher Haynes

Quorum for this meeting is three Councillors.

## Information for the Public

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

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**Tel/Email** martin.stevens@wolverhampton.gov.uk  
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# Agenda

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

*Item No.*     *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies**
- 2            **Declarations of interest**
- 3            **Minutes of the previous meeting** (Pages 3 - 10)  
[To approve the minutes of the previous meeting as a correct record]
- 4            **Matters arising**  
[To consider any matter arising from the minutes]

### DISCUSSION ITEMS

- 5            **South Staffordshire Spatial Housing Strategy Consultation**  
[To receive a presentation on South Staffordshire Spatial Housing Strategy Consultation].
- 6            **Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024**  
(Pages 11 - 48)  
[To consider a report on the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024].
- 7            **Feedback on West Side Link Transport Related Questions** (Pages 49 - 52)  
[To consider a briefing note responding to some of the transport related questions on the Public Realm / West Side Link project which have arisen at the Stronger City Economy Scrutiny Panel meetings in July and September].
- 8            **Potholes in Wolverhampton** (Pages 53 - 58)  
[To consider a briefing note on Potholes within Wolverhampton].

# Vibrant and Sustainable City Scrutiny Panel

Agenda Item No: 3

Minutes - 5 September 2019

## Attendance

### Members of the Vibrant and Sustainable City Scrutiny Panel

Cllr Paul Appleby (Vice-Chair)  
Cllr Mary Bateman  
Cllr Greg Brackenridge  
Cllr Alan Butt  
Cllr Jacqui Coogan  
Cllr Bhupinder Gakhal  
Cllr Keith Inston  
Cllr Beverley Momenabadi  
Cllr Mak Singh (Chair)  
Cllr Martin Waite

### Employees

Martin Stevens (Scrutiny Officer) (Minutes)  
Ross Cook (Director for City Environment)  
Kate Martin (Director for Assets and City Housing)  
Steve Woodward (Head of Environmental Services)  
Colin Parr (Head of Business Services)  
Jenny Lewington (Service Manager Housing Strategy and Policy)  
Claire Walters (Programme Manager – City Environment)  
Helen Scullard (Service Support Manager)

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

*Item No.*      *Title*

### 1      **Apologies**

Cllr Obaida Ahmed sent her apologies for the item on burial grounds and the crematorium as a Member of the Health Scrutiny Panel that made the recommendation that the item should be received by the Scrutiny Panel.

Cllr Sohail Khan sent his apologies for the item on burial grounds and the crematorium, as he had attended the Special Health Scrutiny Panel meeting which considered the processes to be followed after a death.

### 2      **Declarations of interest**

Cllr Gurmukh Singh declared a non-pecuniary interest, on the items on the agenda regarding housing, as a landlord and a trustee of a charity helping to support the homeless and veterans.

Cllr Martin Waite declared a non-pecuniary interest on the items on the agenda regarding housing as a Board Member of the WV Living Shareholders Board.

3 **Minutes of the previous meeting**

**Resolved:** That the minutes of the Vibrant and Sustainable Scrutiny Panel meeting held on 20 June 2019 be confirmed as a correct record.

4 **Matters arising**

There were no matters arising from the minutes.

5 **Burial Places in Wolverhampton and the Crematorium**

The Head of Environmental Services introduced a briefing note on burial places in Wolverhampton and the Crematorium. The briefing note had been commissioned following a special meeting of the Health Scrutiny Panel which looked at the processes to be followed after a death.

The Head of Environmental Services remarked that there were a number of cemeteries across the City which were closed but the Council were responsible for maintaining. Consideration would need to be given to sustaining burial capacity in the future. The briefing note identified a couple of privately owned sites which could be purchased, with appropriate funding available, to ensure continuity of service at Danescourt and Penn Cemetery.

The Head of Environmental Services stated that Bushbury Crematorium was the 16<sup>th</sup> busiest individual crematorium out of the 290 crematoria in the UK. It was the busiest individual crematorium in the West Midlands region. Bereavement services were able to cater for the multi-faith needs of the City and provided burial spaces across the cemeteries maintained by the Council.

Members complimented the Head of Environmental Services for providing an informative report on burial places and the crematorium. They also praised the Bereavement Services team for receiving the Gold Award based on national standards.

A Panel Member asked if the estimated financial costs associated with purchasing new land for burial provision could be supplied in the future. The Head of Environmental Services responded that they would have to work with the Corporate Landlord Department and Estate Services to assess which options would be suitable, which would include an assessment of whether the land was fit for burial. They were currently looking at some drainage solutions for Bushbury cemetery to enable more of the ground to be used. He agreed that a future report could detail some of the options in the future.

The Chair asked if the Council was currently in liaison with any private landlords about the potential purchase of land for burial purposes. The Head of Environmental Services responded that there were no current negotiations, but they were looking at certain areas. There was a garage area in Bilston Cemetery, which they were looking at with Corporate Landlord, with a view to demolishing and using the space for future burial provision. Securing future land for burial purposes was very much a work in progress, there was burial space available within the City at the moment.

A Panel Member commented that he thought the owner of the land adjacent to Penn Cemetery was looking to develop the land to keep horses.

A Member of the Panel asked about the ability of Bereavement Services to meet people's expectations for an expedited burial due to religious reasons. The Head of Environmental Services responded that the service did their very best to accommodate families for faith needs where they could and in the main they were able to meet expectations, but he accepted there were some exceptions, particularly when demand had been high. They were often able to accommodate burials for faith requirements at weekends. It could sometimes depend on the availability of the funeral directors and their availability to liaise with them. It was therefore not solely down to the Council to ensure a burial happened within a certain timeframe, as the Council was reliant on other partners.

A Panel Member asked about availability of the crematorium and the Bereavement Service at weekends. The Head of Environmental Services responded that they did do burials at weekends for faith needs. They were however reliant on funeral directors' availability and resources such as the availability of the Chapel. The main slots were Monday to Friday with the exception of burials for faith purposes at weekends. Generally, not all of the available slots were filled within the week. They could explore extending the availability but that would have a resource implication.

## 6 **Work Programme**

**Resolved:** That the Scrutiny Work Programme be agreed.

## 7 **Housing Strategy**

The Director for Assets and City Housing introduced a report on the City Housing Strategy. As had been agreed at the previous Panel meeting, when a report had been received on the draft strategy, the full Housing Strategy was now before the Panel for pre-decision scrutiny.

The Service Manager for Housing Strategy and Policy commented that the three key objectives for the 2019-2024 strategy were more and better homes, safe and healthier homes and access to a secure home. The strategy set out how the Council and its partners would drive forward the improvements that had been identified as required over the next 5 years.

The Service Manager for Housing Strategy and Policy remarked that an internal consultation had been conducted, where they had met senior leaders and Managers within the Council and various Leadership Teams. An external consultation had also been completed, this had taken the form of an on-line survey, which was also available in hard copy. In addition, they had been to a variety of forums including the Youth Council, Better Homes Board and the Equality Forum. A significant amount of feedback on the draft strategy had been received. Over 150 responses had been received to the online survey, with 80% of the responses coming from residents. Appendix 2 to the report, circulated with the agenda, provided a summary of the responses received from the consultation and how they had responded to them. They had made some changes and strengthened certain areas as a consequence of the consultation.

A Member of the Panel raised a point about mobility. He wanted to ensure that access was made as easy as possible, as in the past the Local Authority had built on land that was cheap with bad access and poor transport links. The Director for Assets and City Housing confirmed that it was a key part of the planning policy and it was a key part of the affordable housing programme. All of the plans were also subject to approval from the Council's Planning Committee. As part of the larger regeneration schemes they were also looking at spatial planning for health to ensure there was suitable access for community services such as GPs and medical centres.

A Panel Member praised the Housing team for the work they had been carrying out with rough sleepers in the City. The Council was beating the national trend by reducing the number in the City rather than it increasing.

A Member of the Panel asked how the Housing team were engaging with the third sector to help rough sleepers in the City. The Director for Assets and City Housing confirmed that they had a number of stakeholder forums, and had some commissioning arrangements. The relationships were positive and they were a key part to delivering their services.

There was a discussion about how the Council assisted people to downsize to a house which was more appropriate for their needs.

A Panel Member asked for it to be noted that no points had been raised about development on Greenbelt land during the meeting.

**Resolved:** That the City Housing Strategy 2019-2024 is submitted to October 2019 Cabinet for adoption.

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### **Housing Allocation Policy**

The Service Manager for Housing Strategy and Policy commented that this was the first full wholesale review of the Allocations Policy since 2007. Minor changes to the policy had been made since 2007 to ensure the Council complied with national legislation. There were some significant changes being proposed to the Allocations Policy. A Steering Group had been established consisting of Housing Strategy Officers, Wolverhampton Homes representatives, Tenant Management Organisations and Legal Officers, who had met regularly to consider how the Allocations Policy should be updated. Officers had also conducted internal consultation within the Council by attending meetings such as Leadership teams. The briefing note contained the revised objectives for the Allocations Policy. She cited the objectives as follows: -

- Ensure people in the greatest housing need have the greatest opportunity to access suitable housing that best meets their needs.
- Make use of a range of housing options and tenures to prevent and relieve homelessness.
- Make best use of the Council's and partner registered providers' housing stock.
- Manage applicants' expectations by being realistic about stock availability, to support them in making informed choices about their housing options, and the extent to which they are able to express reasonable preference.

- Ensure that the Council's legal duties and corporate responsibilities are met and that they contribute to delivering the Council's priorities.

The Service Manager for Housing Strategy and Policy remarked that they were proposing that choice-based lettings be retained, allowing people to bid for the properties they had an interest in, rather than operating a waiting list where the first suitable property available would be allocated to the person at the top of the waiting list. They were looking to modernise Band 4, which was the band given to people that were in no housing need and were suitably housed already. They had over 5000 applicants in that band. Only 2% of properties were allocated to Band 4 at the present time, which equated to approximately 100 properties per year. They wanted to better assist the people in Band 4 with more realistic housing options. This could include guiding them into the private rented sector or homeownership options. They wanted to make better use of the 2% of the stock allocated to Band 4.

The Service Manager for Housing Strategy and Policy stated that a revised banding system was proposed for bands Emergency, 1- 3. They were considering introducing a new emergency plus band, which would give additional priority to applicants with a full homelessness duty who were also care leavers, members of the armed forces, require a substantially adapted property, were significantly overcrowded or anyone who required immediate rehousing due to a significant threat to life, to ensure those with the highest level of need were given the most priority.

The Service Manager for Housing Strategy and Policy commented that they were proposing a revision of the right sizing criteria to try and make it fairer for people who were under or over occupying. A new banding priority was being proposed for people wishing to have a larger property because they wished to foster or adopt. It was clarified in the full policy document that it could not just be people expressing an interest in fostering or adoption, they had to have reached a certain point in the process. They were also looking to introduce additional priority for care leavers within the City. It was proposed that Wolverhampton care leavers be excluded from any residency requirements (requiring them to have lived in the City for at least up to the age of 25).

The Service Manager for Housing Strategy and Policy remarked that one area they were looking to make fairer was regarding rent arrears. Presently there was a £60 rent arrears limit, where you would be either temporarily downgraded in the banding system or prevented from bidding on properties. It was proposed that the limit would be increased to £400 which was the average monthly rate. They were also proposing some new exclusion criteria, the current policy meant you were either on the register or excluded completely. It was proposed that the new policy would allow you to be excluded for certain parts, such as a specific geographical location or a type of property, i.e. high rise, where they may be a danger to themselves or other people. It was intended that these exclusions could be reviewed at any time.

A Panel Member asked what action against a perpetrator the proposed new policy would allow when an existing tenant had been found guilty of an offence, such as assault against a person who lived locally to the perpetrator. The Director for City Housing and Assets said they would discuss the matter with the Probation Service and the Police. If there was a risk they would use a multi-agency approach to determine the action to be taken.

A Member of the Panel remarked that she could not support recommendation 11 (Appendix A to the report) – “Allow children of the same sex to share a bedroom post the age of 15”. The current situation was that children of the same sex who reached the age of 15 had to have separate bedrooms, in terms of their housing application. She could not support the recommendation because the age group was such an important time for secondary education examinations. Sharing a bedroom could affect the studies of the individuals concerned.

A Panel Member commented that they could not support recommendation 9 (Appendix A to the report) – “Allowing a maximum of two refusals of offers of housing in a 12-month period before suspending a housing application for six months.” She believed that it should stay the same as the current situation which was that applicants (excluding those owed a homeless duty), could refuse three offers of suitable accommodation in a 12-month period before their application was suspended for a period of three months. Her experience working at Badger Court had informed her that some young people were not fully aware of the consequences of refusing applications until the second occasion of refusal. She felt the proposed new rule was too harsh.

A Panel Member asked about the preparing for a tenancy online training modules. She was aware of a lady who had recently undertaken the training but had significant technical issues. She didn't want the online training to hold up people in need of housing from being allocated. She had found some of the questions very difficult to answer and asked for the test to be reviewed. One of the questions was about the benefits Universal credit had replaced, which she was sure most people would not know the complete correct answer. The Service Manager for Housing Strategy and Policy responded that the online training modules were run by Wolverhampton Homes in conjunction with the Council. The new allocations policy proposed increasing the support that was available to applicants. The Officers took on board her comments about the preparing for tenancy online training needing review.

A Member of the Panel commented that when some of the recommendations were seen together as a collective rather than in isolation, he had a concern for unintended consequences on the matter of community cohesion. He cited recommendation 6 (Appendix A to the report) – “Remove the priority attached to a quarter of all properties that become available to let to someone with a local connection to an area over those with the greatest housing need,” and recommendation 21 (Appendix A to the report) – “Amend the ‘residency rule’ which requires applicants to have lived in the City for 2 or more years before their housing needs can be fully assessed, to exclude refugees and travellers”. He felt seeing these two recommendations together could fuel far right politics. He suggested that rather than removing the local connection part of the policy, as suggested in recommendation 6, it could be revised instead. The Service Manager for Housing Strategy and Policy responded that in connection with the points the Councillor made, they understood the importance of community cohesion and they had tried to strengthen the local connection in relation to another policy. The policy for the allocation of new build Council properties had seen the local connection strengthened. The Councillor commented that to determine local connection areas, rather than using arbitrary lines on maps, could the Council use other methods such as drive time, walk time or GIS radius systems.

A Panel Member remarked that he had some concerns of unintended consequences in relation to recommendation 3 (Appendix A to the report) – Increase the priority given to Wolverhampton Care Leavers and exempt them from any residency requirements up to the age of 25. He was aware that some children and young people were fostered out of the City for safety and wellbeing reasons. If they returned to Wolverhampton when leaving care, a vulnerable person could end up being exploited by people who they had escaped from. So, whilst he wanted to help care leavers, he did not want them to perversely suffer from the new policy due to an unforeseen safeguarding issue. It was therefore important that appropriate safeguards were in place in the policy for care leavers. The Service Manager for Housing Strategy and Policy responded that they had developed the proposal in consultation with the Leaving Care Team. The proposal had also been to the Care Leave Forum during the consultation who had welcomed the proposal. She did however appreciate the comment and said it was something they should build into their consultation to ensure safeguards were in place.

A Member of the Panel asked why recommendation 19 (Appendix A to the report), was proposed - "Ensure the Allocations policy meets current needs by removing those criteria that are not used i.e. "the two tenancies for one rule." They asked the question, why the fact that a rule was rarely used, was justification for it to be abolished. They asked for this to be reconsidered. The Service Manager for Housing Strategy and Policy responded that they would give this rule some further consideration.

**Resolved:** That the final proposals for the Housing Allocations Policy be received for pre-decision scrutiny at the Vibrant and Sustainable City Scrutiny Panel, before the final recommendations are put to Cabinet, currently scheduled for January 2020.

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### **Empty Homes Policy and Strategy Action Plan**

The Service Support Manager introduced a report on the Empty Homes Policy and Strategy Action Plan 2019-2024. The new strategy proposed increasing the options of financial assistance for owners of empty homes who had low incomes and might be unable to bring a dilapidated property up to the standard where it could be occupied or sold. Options for a loan which could be repaid through rent if the Council nominated the tenant, or through a charge on the property when it was sold, could also be offered.

The Service Support Manager remarked that they now wrote to the owners of an empty property after 3 months rather than six. This was an effective way of helping to prevent properties being unoccupied for long periods of time.

Members of the Panel welcomed the report and had a discussion about their experiences of empty homes in their wards and the reasons that had caused them to be empty.

**Resolved:** That the Vibrant and Sustainable City Scrutiny Panel endorse the Empty Homes Policy and Strategy Action Plan 2019-2024.

10      **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 discussion on the briefing note - Keep Your Street Neat, under paragraph 7 – Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

11      **Keep Your Street Neat Briefing Note**

There was a confidential discussion on the Keep Your Street Neat Briefing Note.



## Vibrant and Sustainable City Scrutiny Panel

7 November 2019

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson City Assets and Housing	
	Councillor Steve Evans City Environment	
<b>Corporate Plan priority</b>	Confident Capable Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.shannon@wolverhampton.gov.uk

**Report to be/has been considered by**

### Recommendations for decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the budget relevant to the remit of this Panel and how it is aligned to the priorities of the Council.
2. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 including budget proposals that are relevant to the remit of this Panel.

3. Approve that the Scrutiny Panel response be finalised by the Chair and Vice Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

## **1.0 Purpose**

- 1.1 The purpose of this report is to seek the Panel's feedback on the budget relevant to the remit of this Panel and how it is aligned to the priorities of the Council. In addition to this, the Panel's feedback is also sought on the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 that was presented to Cabinet on 16 October 2019 including budget proposals relevant to the remit of this Panel.

## **2.0 Draft Budget and Medium Term Financial Strategy Background**

- 2.1 Since 2010-2011 despite the successive cuts in Council resources, which have led to significant financial challenges, the Council has set a balanced budget in order to deliver vital public services and city amenities. Over the last eight years the Council has identified budget reductions in excess of £220 million. The extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced, with reducing resources, growing demand for services and significant cost pressures.
- 2.2 The Budget and Medium Term Financial Strategy (MTFS) 2019-2020 to 2023-2024 was presented to Full Council for approval on 6 March 2019. The Council was able to set a balanced budget for 2019-2020 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £27.3 million in 2020-2021 rising to £40-£50 million over the medium term to 2023-2024.
- 2.3 Since then, work has been ongoing across the Council to identify opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2020-2021 and future years, whilst also analysing emerging pressures and potential resources available to the Council, following the Spending Round 2019 announcement on 4 September 2019.

## **3.0 Our Council Plan 2019-2024**

- 3.1 The Council's strategic approach to address the budget deficit continues to be to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019.
- 3.2 Our Council Plan, developed with the people of the City of Wolverhampton at its heart, sets out how we will deliver our contribution to Vision 2030 and how we will work with our partners and communities to be a city of opportunity. The plan includes six strategic priorities which come together to deliver the overall Council Plan outcome of 'Wulfrunians will live longer, healthier and more fulfilling lives.' Over the medium term, resources will continue to be aligned to enable the realisation of the Council's strategic priorities of achieving:
- Children and Young People get the best possible start in life
  - Well skilled people working in an inclusive economy
  - More good jobs and investment in our city
  - Better homes for all

- Strong, resilient and healthy communities
- A vibrant, green city we can all be proud of.

3.3 All of the strategic outcomes will be supported by the 'Our Council' Programme, which will help us drive organisational improvement and development.

3.4 The Financial Strategy, approved by Council in March 2019, consists of five core principles underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with a lead director. The core principles are:

- **Core Principles:**

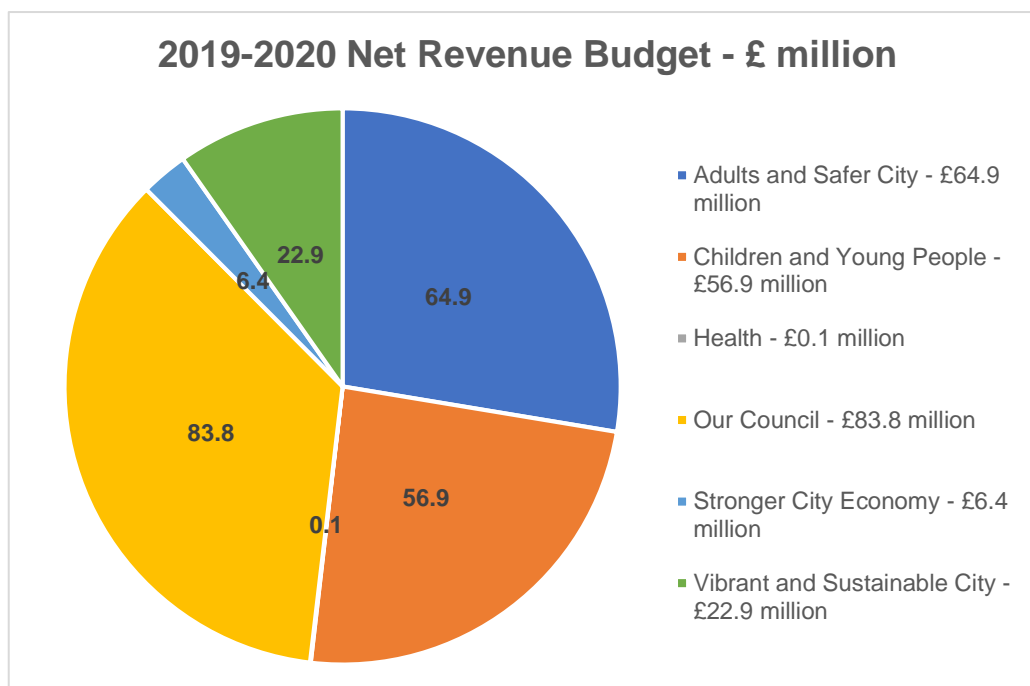
- **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
- **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment.
- **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
- **Balancing Risk.** We will ensure we base decisions on evidence, data and customer insight.
- **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses.

**4.0 Budget - Vibrant and Sustainable City Scrutiny Panel remit**

4.1 As detailed above, when addressing the budget challenge, the Council continues to focus on aligning its resources to strategic outcomes.

4.2 The Council holds a net revenue expenditure budget totalling £234.9 million for the 2019-2020 financial year. Of this, services relevant to the remit of the Vibrant and Sustainable City Scrutiny Panel have net revenue expenditure budgets totalling £22.9 million, as can be seen in Chart 1 below.

**Chart 1 – Net Revenue Budget 2019-2020**



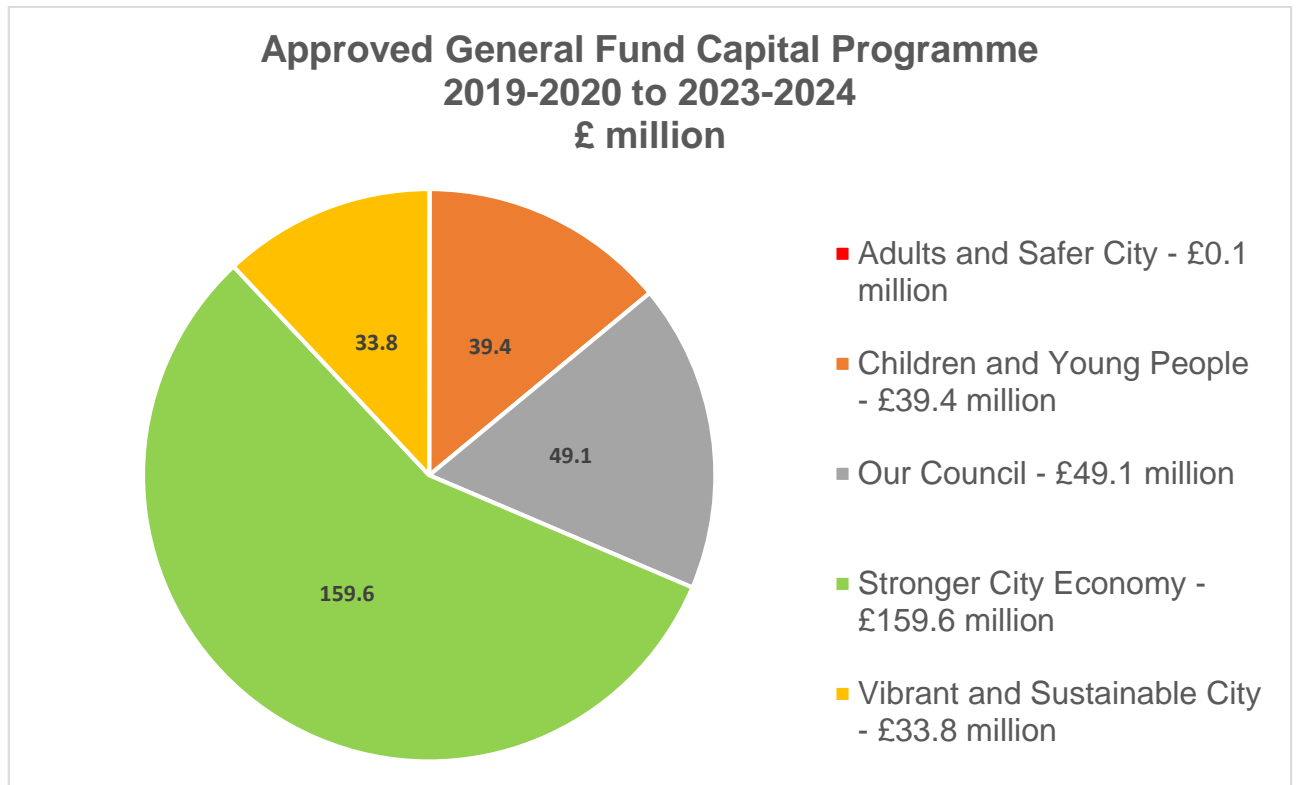
- 4.3 A further breakdown of the net revenue budget for each service relevant to the remit of this Panel is provided in Table 1 below:

**Table 1 – Service and Revenue Budget Provision**

<b>Service</b>	<b>2019-2020 Gross Expenditure Budget £000</b>	<b>2019-2020 Gross Income Budget £000</b>	<b>2019-2020 Net Revenue Expenditure/ (Income) Budget £000</b>
Bereavement and Coroner Services	1,870	(4,194)	(2,323)
Environmental and Commercial Regulation	7,848	(5,555)	2,294
Environmental Services	7,242	(929)	6,313
Fleet Services	2,533	(1,264)	1,269
Markets	1,559	(2,159)	(600)
Parking Services	1,954	(5,428)	(3,474)
Street Lighting	2,764	(73)	2,691
Waste and Recycling	17,276	(6,650)	10,626
Black Country Transport	152	(111)	41
Highways Maintenance	2,389	(815)	1,575
Operation & Maintenance of Existing Network	2,731	(1,712)	1,019
Transportation	3,506	(2,683)	823
City Planning	2,333	(1,509)	825
Housing	2,876	(1,901)	975
Leisure Services	5,103	(4,290)	813
<b>Total</b>	<b>62,136</b>	<b>(39,273)</b>	<b>22,867</b>

- 4.4 Gross expenditure and gross income relate to the budgets directly in the control of the service area. Overhead costs such as property related expenditure and support services are held separately.
- 4.5 When reviewing the budget, it is important to consider the gross income and gross expenditure for each service. Budget efficiencies can be achieved through reductions in expenditure budgets, in addition to maximising income generation opportunities.
- 4.6 In addition to this, as detailed in Chart 2, services relevant to the Vibrant and Sustainable City Scrutiny Panel remit also have an approved General Fund capital programme budget totalling £33.8 million over the medium term period from 2019-2020 to 2023-2024.

**Chart 2 – Approved General Fund Capital Programme Budget 2019-2020 to 2023-2024**



- 4.7 Within the capital programme budget relevant to this panel, the following capital programmes are being delivered:

**Table 2 – Capital Programme and Revenue Budget Provision**

<b>Capital Programme</b>	<b>2019-2020 to 2023-2024 Capital Programme Expenditure £000</b>
Accessing Growth Fund	1,318
Active Travel Programme	165
Bereavement Services	54
Bowling provision	102
Bowman's Harbour - Former Landfill Sites	102
Cricket provision	81
Disabled Access (rolling programme)	20
Disabled Facilities Grants	6,105
Highway Improvement Programme	1,304
Highway Structures (bridges, subways, retaining walls)	350
Housing General Fund General Schemes - Capitalised Salaries	118
Housing General Fund General Schemes - Empty Properties Strategy	506
Housing General Fund General Schemes - Small Works Assistance (SWA)	515
Housing General Schemes - Affordable Warmth	500
i54 Access and Infrastructure	525
Leisure Centres Enhancement	40
Lighting up the City	93
Maintenance of classified roads	4,027
Maintenance of Non Highway Structures	47
Maintenance of unclassified roads	4,912
Managing Short Trips	20
Network Development - Safer Routes to School	10
Parks Strategy and Open Space	1,917
Raglan Street - Sainsburys S278 works	27
Safety Programme	1,450
Security Enhancement works	168
Site Remediation Farndale	6
Smart and Accessible City	478
Sports Investment Strategy	360
Street Lighting	4,926
Vehicles (Procurement)	3,301
Waste & Recycling Strategy	236
<b>Total</b>	<b>33,783</b>

## 5.0 Key Strategies and Transformation

5.1 The revenue and capital budgets allocated enable the following key services and transformation work:

- **Climate Change** - responsible for the development of the Council's response to the recently adopted Climate Emergency motion and relevant action plan.
- **Waste Transformation Programme** – Managing the Council's statutory waste functions; including the collection and disposal of residential residual, recycling and garden waste.
- **Markets Strategy** – Management of the Council's market estate across four sites and the delivery of themed markets across the city.
- **Highways Improvement Programme** – Wolverhampton's Annual Transportation Capital programme was approved by Cabinet on 18 June 2019. The current £14 million programme is funded by a mixture of external grants, developer contributions and Council borrowing. The programme delivers a range of highway schemes to develop, maintain and improve the safety and sustainability, of the transportation network, while supporting the development of major schemes such as Westside, Great Spaces and City East gateway to regenerate our city.
- **Street Lighting LED Programme** – From April 2019-March 2022, this project will contribute significantly to the four pillars of Wolverhampton's Sustainability Strategy and Implementation Plan: to support low carbon growth in our city centre economy; reduce energy consumption and promote healthier multi-modal transport choices. Utilising the street lamp network as a basic building block, this project inserts SMART technology via the lighting columns across the city. Wolverhampton would be one of the first cities in the UK to embrace this technology - following in the footsteps of Chicago and Glasgow - to piggyback on the high-density coverage of the existing street light network to install innovative SMART city infrastructure.

This could deliver, not just energy efficiency, but also live data to “remote control” public services and offer a free open public data platform to enable behaviour change; the much-needed ingredient to achieve a shift towards greater take up of lower carbon transport.

- **Car parks and highway enforcements** – Maintaining the Council's parking assets, both off-street and on-street parking, as well as all relevant highway enforcement functions.
- **Environmental and Commercial Regulation** – This area covers Environment Health, Food Safety, Trading Standards, Licensing, Environmental Crime and Public Protection. These services collectively deal with over 50,000 service requests a year.

- **Environmental Services** is focused on maintaining the city environment, to deliver the strategic outcome 'a vibrant, green city we can all be proud of'. Front line operations provide: -
  - Street cleaning programmes to ensure each land use classification (High Obstruction Housing, Industrial and Warehousing, Medium Obstruction Housing, Low Obstruction Housing, Main Roads, Main Retail and Commercial and Other Retail and Commercial) is kept predominantly free from litter, detritus, graffiti, fly posting and fly tipping; and respond to emergency calls for dead animals, syringes and RTC's.
  - Seasonal Grounds maintenance operations to control weeds, cut grass and prune hedgerows; maintain sports pitches and conserve meadow areas and Nature Friendly Zones along the highway and on our parks and green spaces.
  - Four yearly inspection of highway trees to maintain the health of the council tree stock and emergency response to fallen/dangerous trees.
  - Management of parks, nature reserves and green open spaces and the sport pitch play provision. Inspect and maintain playground/outdoor fitness equipment and park infrastructure and ensure S106 money is utilised to refurbish existing play areas and adopt new green space/play areas.
  - Provide chargeable grounds maintenance and pest control services to schools and businesses; and pest control to residents.
- **Fleet Services** – Support the City's priorities and Our Council Programme through the provision of a quality, safe and value for money fleet service, this includes provision and maintenance at the Council's vehicle workshop of a fleet comprised of 600 commercial, specialist vehicles, mobile plant and equipment to the Council and partner organisations, provision of fuel via fuel cards and bunkered stocks and comprehensive fleet management.
- **Bereavement Services** - Bereavement Services has no statutory requirement, however, the City of Wolverhampton Council are committed to the provision of burial and cremation services, whilst the Public Mortuary is provided under the Public Health Act 1936, in the absence of available suitable facilities at the local hospital.

Bushbury Crematorium carries out approximately 2,650 cremations per annum, making it the 17<sup>th</sup> busiest individual crematorium out of 270 existing crematoria in the UK. Around 500 burials are carried out each year within the Authority's seven cemeteries, along with a similar number of cremated remains interments. The City of Wolverhampton Council formally adopted the Charter for the Bereaved in March 2004 and in doing so, committed to measuring the performance of Bereavement Services against the only national standard developed specifically for the funeral industry in the UK and the service has achieved the Gold Award for the last eight years.

Officers within the service are also involved in establishing and maintaining a programme of work to ensure the safety of memorials in the Council's four designated closed churchyards these are St Marys (Bushbury), St Thomas's (Wednesfield), St Phillips, St Michaels and all Angels (Tettenhall).

The Coroners service is also part of the Bereavement Service function. The Mortuary is situated in Wednesfield town centre adjacent to the Police Station in Alfred Squire Road. The facility has 25 refrigeration and 10 freezer spaces.

- **WV Active** – WV Active’s business model has undergone a full review which has included a back to basics approach, looking at the core business operation, membership strategy and operational delivery model.
- **City Housing Strategy 2019-24** – The new City Housing Strategy confirms the importance of, and delivery plans to, accelerate housing development and provide greater choice of accommodation to provide for housing needs and the inclusive economic growth for our City. Furthermore, the Strategy focuses on the importance of providing high-quality housing design and property management standards, including private rented accommodation. It is vital we continue to provide enough good quality homes, including new affordable homes and options for seeking to access home ownership, in our City.

## **6.0 Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024**

- 6.1 Since March 2019, Cabinet have been provided with two further Budget and Medium Term Financial Strategy (MTFS) updates in July and October 2019 to identify opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2020-2021 and future years.
- 6.2 In October 2019, Cabinet were presented with the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 report in which it was forecast that, after taking into account projected changes to corporate resources and emerging pressures, the projected remaining budget deficit for 2020-2021 would be in the region of £3.9 million, rising to £20 million over the medium term period to 2023-2024.
- 6.3 The MTFS provides for general inflation increases. It also includes growth for specific known pressures. In relation to the remit of this panel, the MTFS for 2020-2021 includes provision for potential budget pressures within the Waste and Recycling Service, which could arise if a restructure within the service were to take place where employees not currently on NJC terms and conditions of employment could result in them being employed on this basis.
- 6.4 Appendix 1 provides a copy of the ‘Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024’ report for your consideration. Appendix 2 provides details of specific budget proposals relevant to this panel. Feedback from this and the other Scrutiny Panel meetings will be reported to Scrutiny Board on 10 December 2019, which will consolidate that feedback in a formal response to Cabinet on 22 January 2020. The feedback provided to Scrutiny Board will include questions asked by Panel members, alongside the responses received. Cabinet will take into account the feedback from Scrutiny Board when considering the final budget setting report in February 2020, for approval by Full Council in March 2020.

## **7.0 Panel Recommendations**

7.1 The Panel are recommended to provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on:

- the budget relevant to the remit of this Panel and how it is aligned to the priorities of the Council;
- the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 and budget proposals relevant to the remit of this Panel;
- any other comments.

7.2 The Panel are also recommended to approve that the Scrutiny Panel response be finalised by the Chair and the Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

## **8.0 Financial implications**

8.1 The financial implications are discussed in the body of the report, and in the report to Cabinet.

[MH/30102019/Y]

## **9.0 Legal implications**

9.1 The legal implications are discussed in the report to Cabinet, as the Scrutiny Board has an advisory role only.

[LW/30102019/F]

## **10.0 Equalities implications**

10.1 The equalities implications are discussed in the report to Cabinet.

## **11.0 Environmental and climate change implications**

11.1 The environmental and climate change implications are discussed in the report to Cabinet.

## **12.0 Human resources implications**

12.1 The human resources implications are discussed in the report to Cabinet.

## **13.0 Corporate landlord implications**

13.1 The Corporate Landlord implications are discussed in the report to Cabinet.

## **14.0 Health and wellbeing implications**

14.1 The Corporate Landlord implications are discussed in the report to Cabinet.

## **15.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Cabinet, 16 October 2019.

Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Cabinet, 31 July 2019.

2019-2020 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024, report to Full Council, 6 March 2019

## **16.0 Appendix**

Appendix 1 - Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024

Appendix 2 – Budget Proposals

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>16 October 2019</b>
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<b>Report title</b>	<b>Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024</b>	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	Tim Johnson, Chief Executive	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Claire Nye Tel Email	Director of Finance 01902 550478 claire.nye@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board Health Scrutiny Panel Vibrant and Sustainable City Scrutiny Panel Adults and Safer City Scrutiny Panel Our Council Scrutiny Panel Stronger City Economy Scrutiny Panel Children and Young People Scrutiny Panel Scrutiny Board	2 October 2019 7 November 2019 7 November 2019 12 November 2019 20 November 2019 25 November 2019 27 November 2019 10 December 2019

**Recommendations for decision:**

The Cabinet is recommended to approve:

1. The updated draft budget strategy linked to the Five Year Financial Strategy, including the budget reduction and income generation proposals and one-off funding opportunities.
2. That further options are explored between October 2019 and January 2020 to address the updated projected budget deficit of £3.9 million for 2020-2021 and the medium term, based on the Council's Five Year Financial Strategy.

3. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the final budget consultation arrangements.

**Recommendations for noting:**

The Cabinet is recommended to note:

1. That, a number of assumptions have been made with regards to the level of resources that will be available to the Council as detailed in section 5 of this report. It is important to note that there continues to be a considerable amount of uncertainty with regards to future income streams for local authorities over the forthcoming multi-year Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.
2. That, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council.
3. That the projected remaining budget deficit for 2020-2021 will be in the region of £3.9 million, rising to £20 million over the medium term period to 2023-2024.
4. That it is anticipated that the additional adult and children's social care grant will be sufficient to meet the projected remaining budget deficit in 2020-2021 and therefore enable the Council to set a balanced budget in that year.
5. That due to the uncertainty over the medium term, the overall level of risk associated with the 2020-2021 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 is assessed as Red.
6. That an element of the high-level strategy for 2020-2021 relate to one-off opportunities that can be achieved in 2020-2021.
7. That the updated projected deficit assumes the achievement of previously approved budget reduction and income generation proposals amounting to £9.6 million over period 2019-2020 to 2023-2024.
8. That the 2020-2021 budget timetable will, as in previous years, include an update on all budget assumptions and the Provisional Local Government Settlement which will be presented to Cabinet in January 2020, with the final budget report due to be approved by Full Council in March 2020.

## **1.0 Purpose**

- 1.1 The purpose of this report is to provide Councillors with an update on progress towards identifying additional budget reduction proposals in order to address the projected budget deficit of £4.9 million in 2020-2021 and budget challenge over the medium term to 2023-2024.
- 1.2 This is the second report of the financial year on the Draft Budget and the Medium Term Financial Strategy (MTFS) for the period of 2020-2021 to 2023-2024.

## **2.0 Background and Summary**

- 2.1 Since 2010-2011 despite the successive cuts in Council resources, which have led to significant financial challenges, the Council has set a balanced budget in order to deliver vital public services and city amenities. Over the last eight years the Council has identified budget reductions in excess of £220 million. The extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced, with reducing resources, growing demand for services and significant cost pressures.
- 2.2 In order to respond to this financial challenge and the growing demand for services, the Council has developed a Five Year Financial Strategy to address the projected deficit over the medium term which is detailed in section 3 of this report.
- 2.3 The Council's General Fund Balance stands at £10 million, which is the minimum balance as determined in the Council's Reserves and Balances Policy. In addition, the Council holds specific reserves which are set aside to fund future planned expenditure. It is vital the Council continues to hold these reserves to mitigate the risk of uncertainty of any potential future expenditure and therefore it is not an option to use the funds to meet the budget deficit.
- 2.4 The Budget and Medium Term Financial Strategy (MTFS) 2019-2020 to 2023-2024 was presented to Full Council for approval on 6 March 2019. The Council was able to set a balanced budget for 2019-2020 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £27.3 million in 2020-2021 rising to £40-£50 million over the medium term to 2023-2024.
- 2.5 It is important to note that the updated projected budget deficit assumes the achievement of previously approved budget reduction and income generation proposals amounting to £9.6 million over the five-year period from 2019-2020 to 2023-2024. Having identified budget reductions in excess of £220 million over the previous eight financial years, the extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced.

- 2.6 In March 2019, Full Council approved that work started immediately to identify budget reductions and income generation proposals for 2020-2021 onwards, in line with the Five Year Financial Strategy, and for progress to be reported to Cabinet in July 2019.
- 2.7 It should be noted that due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
- 2.8 An update on the draft budget strategy, linked to the Five Year Financial Strategy, including the budget reduction and income generation targets to address the projected budget challenge of £27.3 million for 2020-2021 and future years was presented to Cabinet on 31 July 2019. At that point, various opportunities including: anticipated grant income arising as a result of a one year spending announcement, council tax income, adult social care precept, capital receipts and other one-off funding streams and budget proposals linked to the Financial Strategy resulted in the identification of £22.4 million towards the projected budget deficit for 2020-2021. Cabinet approved the incorporation of high-level budget strategy for 2020-2021 into the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024. Taking this into account, the remaining budget challenge to be identified for 2020-2021 stood at £4.9 million.
- 2.9 Work has continued during the second quarter of this financial year to identify opportunities in line with the Five Year Financial Strategy to support the budget strategy for 2020-2021 and future years, whilst also analysing the potential resources available to the Council following the Spending Round 2019 announcement on 4 September 2019.
- 2.10 This report provides an update on progress towards the budget strategy for 2020-2021 and future years, whilst also detailing emerging pressures that the Council currently faces.

### **3.0 Five Year Financial Strategy**

- 3.1 The Council's strategic approach to address the budget deficit continues to be to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019.
- 3.2 Our Council Plan 2019-2024 sets out how we will deliver our contribution to Vision 2030 and how we will work with our partners and communities to be a city of opportunity. The plan includes six strategic priorities which come together to deliver the overall Council Plan outcome of 'Wulfrunians will live longer, healthier and more fulfilling lives.' Over the medium term, resources will continue to be aligned to enable the realisation of the Council's priorities of achieving:
- Children and Young People get the best possible start in life
  - Well skilled people working in an inclusive economy
  - More good jobs and investment in our city
  - Better homes for all
  - Strong, resilient and healthy communities
  - A vibrant, green city we can all be proud of.

3.3 The Financial Strategy, approved by Council in March 2019, consists of five core principles underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with a lead director. The Core principles and workstreams are:

- **Core Principles:**

- **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
- **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment.
- **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
- **Balancing Risk.** We will ensure we base decisions on evidence, data and customer insight.
- **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses.

- **Core Workstreams:**

- **Promoting Digital Innovation.** Improve access to digital services to empower local people to self-serve at a time and place that suits them whilst reducing 'traditional' operating costs.
- **Reducing demand.** Through early intervention and closer collaboration with local people we aim to reduce demand for services and support greater independence and resilience.
- **Targeted Service Delivery.** Our efforts will be focused in the areas and places that need us the most and where we can deliver the best possible outcomes within the resources available.
- **Sustainable Business Models.** We will develop the most efficient and effective services possible, within the significant financial constraints we face, to meet the needs of local people.
- **Prioritising Capital Investment.** Aligned to our strategic plan, investment will focus on the priorities that deliver the best possible return and outcomes for local people.
- **Generating Income.** Better understanding the markets we operate in will enable us to develop new, innovative income generation opportunities with partners where appropriate.
- **Delivering Efficiencies.** By reviewing our resources, business processes and better using technology, we will deliver services which meet customer needs efficiently and cost-effectively.
- **Maximising Partnerships and External Income.** We will take a much more strategic role, working with our partners, to identify opportunities to collaborate, share resources, reduce costs and seize funding opportunities.

## **4.0 Budget Strategy 2020-2021 to 2023-2024**

### **Spending Round 2019**

- 4.1 On 31 July 2019, Cabinet were asked to note the uncertainty regarding future funding streams for local authorities over the forthcoming Comprehensive Spending Review period. At that point, it was unclear as to whether the Comprehensive Spending Review 2020, and the corresponding reforms to the Fair Funding Formula and Business Rates Retention, would be announced in this financial year in order to provide greater certainty for 2020-2021 and the medium term.
- 4.2 Cabinet were also informed that the Local Government Association and financial research organisations envisaged that the Comprehensive Spending Review 2020 would be delayed due to the extension of ongoing negotiations surrounding Brexit and the Leadership election process for a new Prime Minister, and therefore local authorities would be likely to receive a one-year settlement for 2020-2021 only.
- 4.3 On 4 September 2019, the Government announced the Spending Round 2019 which set out the Government's spending plans for 2020-2021 only.
- 4.4 As anticipated, it was confirmed that the full multi-year Spending Review will take place in 2020 for funding post 2020-2021. The review will take into account the nature of Brexit and set out further plans for long term reform. It is envisaged that the Fair Funding Review and Business Rates Retention reforms will be addressed as part of the multi-year Spending Review.
- 4.5 The report to Cabinet on 31 July 2019 clarified that a number of assumptions had been made with regards to the level of resources that will be available to the Council. Whilst there continues to be a considerable amount of uncertainty regarding future funding streams for local authorities over the medium term, the following paragraphs detail the Spending Round 2019 announcements which impact on the Council's Medium Term Financial Strategy.

## **5.0 Corporate Resources**

### **Council Tax assumptions**

- 5.1 The Draft Budget and Medium Term Financial Strategy (MTFS) 2020-2021 to 2023-2024 report presented to Cabinet on 31 July 2019 indicated that additional funds in the region of £1.0 million could be realised in 2020-2021 if council tax were to be raised by an additional 1% to 2.99%. Furthermore, if the adult social care precept were to be increased by 2% in 2020-2021 additional funds in the region of £2.1 million would be available to support the delivery of key Adult Services.
- 5.2 In the Spending Round 2019, the Government announced that they will consult on providing local authorities with adult social care responsibilities the power to raise an additional 2% via the adult social care precept in 2020-2021. Should this power be granted, it would enable councils to raise further funding to support adult social care. As

detailed in paragraph 5.1, the additional 2% adult social care precept is in line with the Council's assumptions.

- 5.3 In addition to this, the Government are consulting on a core council tax referendum limit of 2% for 2020-2021. As detailed in paragraph 5.1, the MTFS currently assumes that total council tax income in the region of £100.1 million would be available to the Council if a 2.99% council tax increase were approved for 2020-2021. In order to be prudent, it is proposed that the Council's MTFS assumptions be revised downwards to reflect a 1.99% increase in council tax in 2020-2021; therefore, resulting in a budget pressure totalling £1.0 million in 2020-2021.
- 5.4 In line with Cabinet approval of the draft budget strategy in July 2019, the Council will continue to consult with residents on increasing council tax up to 2.99% and increasing the adult social care precept by 2% in 2020-2021. This will therefore enable the Council to consider increasing council tax and adult social care precept should additional flexibility be granted during the 2020-2021 Local Government Finance Settlement. A review of the council tax base, that is the number of properties in the city, will be presented to Cabinet as part of the 'Council Tax Base and Business Rates Net Rate Yield' report in January 2020.

### **Social Care Grants**

- 5.5 The Government announced that additional grant funding totalling £1 billion would be made available to local authorities in 2020-2021 for adults and children's social care, to support the rising demand on the social care system. At this stage, the proposed formula for distribution of the grant and indicative funding allocations have been released for consultation by the Ministry of Housing, Communities and Local Government (MHCLG). The outcome of the consultation will be confirmed in the provisional settlement in December.
- 5.6 This additional funding is in addition to the existing adults and children's social care grants that have been received in 2019-2020; which the Government have now confirmed will be rolled forward into 2020-2021.
- 5.7 The Government have stated that they remain committed to putting adult social care on a fairer and more sustainable footing and will bring forward proposals in due course.
- 5.8 The Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 presented to Cabinet on 31 July 2019 assumed that the Government would announce that local authorities receive adult social care winter pressures grant funding in 2020-2021 and each year over the medium term totalling £1.4 million annually.
- 5.9 The incorporation of the roll forward of one-off grants that have been received in 2019-2020 but not previously assumed in the MTFS for 2020-2021 totals £4.3 million.

### **Public Health Grant**

- 5.10 The Government have confirmed a real term increase to the Public Health grant budget in 2020-2021 to ensure local authorities can continue to provide prevention and public health interventions. The additional funds will support the provision of public health and wellbeing across the City.

### **Business Rates**

- 5.11 Furthermore, the Government have also confirmed that business rate baseline funding levels will increase in line with inflation, which is in line with our assumptions in the MTFS. The September consumer price inflation rate has not yet been released, however it is forecast that the business rates multipliers will increase by 2%.

### **Other funding announcements**

- 5.12 In addition to the funding announcements detailed above which have a direct impact on the Council's MTFS, there were other Spending Round 2019 announcements which will provide benefits to the residents of Wolverhampton.
- 5.13 The Government has committed to increase funding for education and skills nationally over the period to 2022-2023 by £7.1 billion, when compared to 2019-2020 funding levels. The additional funding includes an allocation to support children and young people with special educational needs and further education funding. At this stage, the announcement has been made at a national level and we are therefore not aware of the specific grant allocation that will be made available for Wolverhampton.
- 5.14 Furthermore, the Government have also announced an increase in funding to help reduce homelessness and rough sleeping. Similarly, this has been announced at a national level and therefore we are not currently aware of the allocation for Wolverhampton.
- 5.15 Whilst the Spending Round 2019 announcement has provided some clarity for 2020-2021, it is important to note that the Council continues to face significant uncertainty over the medium term and it is particularly challenging to project the potential resources that will be available to the Council over the forthcoming multi-year Spending Review period. It is important to note that, any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.

## **6.0 One-off funding sources**

- 6.1 Work has continued during the second quarter of this financial year to identify one-off funding opportunities to support the budget strategy for 2020-2021 and future years. The various opportunities are detailed in the paragraphs below.
- 6.2 On 18 June 2019, Cabinet (Resources) Panel received a report detailing the final outturn on the Collection Fund for 2018-2019 which consisted of a cumulative surplus in the region of £1.4 million on Council Tax and a cumulative deficit in the region of £539,000 on Business Rates. Of the accumulated surplus on the Collection Fund, the Council will

retain a surplus of £960,000. When forecasting the estimated outturn on the Collection Fund for 2018-2019, it was projected that the Council would retain a deficit of £34,000. It is therefore proposed that the additional benefit arising from the positive outturn on the Collection Fund be recognised in the MTFS.

- 6.3 In addition to this, it is proposed that one-off funds totalling £1 million be released from the Job Evaluation reserve in 2020-2021. This reserve was created to fund legal costs associated with Job Evaluation. A review of the anticipated future costs indicates that this reserve can be reduced.
- 6.4 Furthermore, following the review of the anticipated costs of Job Evaluation, it is also proposed that £500,000 be released from the Equal Pay Provision in 2020-2021. The Equal Pay Provision was created to provide for any potential Equal Pay claims that could arise in the six year period post implementation of Single Status; which was on 1 April 2013. Whilst there are some claims which are yet to be resolved, it is anticipated that the remaining provision will not be required in its entirety.

## **7.0 Update on Emerging Factors and the Budget Challenge for 2020-2021**

- 7.1 The assumptions used in the preparation of the budget and Medium Term Financial Strategy (MTFS) remain under constant review and update.
- 7.2 In July 2019, Cabinet were informed of emerging pressures within Adult Services following a fee review and demographic pressures in 2019-2020.
- 7.3 In addition to this, potential cost pressures within the Waste and Recycling Service were highlighted if a restructure within the service were to take place where employees not currently on NJC terms and conditions of employment could result in them being employed on this basis; item 12 - 'Waste Transformation Programme - Future Service Delivery Arrangements' on the agenda for this meeting provides further details on the proposals.
- 7.4 These service areas continue to be kept under review, however in order to be prudent, it is proposed that budget pressures in the region of £4.7 million prevalent in 2020-2021 are recognised, therefore increasing the projected budget deficit in that year as detailed in Table 1 overleaf.
- 7.5 In July, Cabinet approved that alternative funding sources would be sought to fund the Wolves at Work Programme to reduce the cost to the Council whilst protecting this successful initiative. At this time alternative funding has not been secured however work will continue and updates will be brought to Cabinet in the next budget report. If alternative funding is not found this will increase the deficit position for 2020-2021.
- 7.6 Taking into account the forecast changes to corporate resources and emerging pressures, detailed in the paragraphs above, it is anticipated that the projected remaining budget deficit for 2020-2021 will be in the region of £3.9 million, rising to £20 million over the medium term period to 2023-2024.

**Table 1 – Draft Budget Strategy 2020-2021**

	<b>2020-2021 £000</b>
<b>Projected Budget Challenge as at July 2019</b>	<b>4,897</b>
<b>Changes to Corporate Resources</b>	
Council Tax – reduced to 1.99%	1,045
Adult Social Care Grant (Improved Better Care Fund)	(1,947)
Additional Adult and Children’s Social Care Grant	(2,351)
Collection Fund Surplus	(960)
Use of Job Evaluation Reserve	(1,000)
Release of Equal Pay Provision	(500)
<b>Potential Pressures</b>	<b>4,700</b>
<b>Revised Budget Challenge as at October 2019</b>	<b>3,884</b>

- 7.7 As detailed in paragraph 5.5, the Government have announced that additional grant funding totalling £1 billion will be made available to local authorities in 2020-2021 for adults and children’s social care, to support the rising demand on the social care system. The Local Government Finance Settlement 2020-21 technical consultation, issued by the Ministry of Housing, Communities and Local Government (MHCLG), provides the proposed formula for the distribution of the grant and indicative local authority allocations of the additional unringfenced grant funding. It is anticipated that the additional adult and children’s social care grant will be sufficient to meet the projected remaining budget deficit in 2020-2021 and therefore enable the Council to set a balanced budget in that year. It is important to note however, that there is no certainty around the level of funding at the point of writing. Any reduction in the Government’s allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term. It is hoped that further clarity is provided in the provisional local government settlement 2020-2021, which it is anticipated will be announced in December 2019.
- 7.8 Due to the uncertainty about the additional adult and children’s social care grant funding work will continue to identify efficiencies in order to reduce the budget deficit over the medium term and mitigate the reliance on one-off funding.
- 7.9 Due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council. At the point of writing, the negotiations surrounding Brexit are ongoing and there continues to be speculation around Parliamentary changes; the announcements made in the Spending Round 2019 therefore hold an element of risk.
- 7.10 **Pension deficit**

Work is being undertaken by the West Midlands Pension Fund through the triennial valuation process to determine the employer contributions that will be required over the medium term. At this stage, the MTFS reflects the forecasts based on the previous valuation in 2016. Updates will be provided to Cabinet in future reports.

#### **7.11 Pay Award**

The MTFS assumes an average pay award of 2% per annum. National pay negotiations are likely to take a number of months to conclude. Any increase above an average of 2% will place additional pressure on the MTFS.

### **8.0 Budget Proposals for 2020-2021**

8.1 In July 2019, a number of proposals were presented to Cabinet for approval to address the projected budget deficit for 2020-2021 and the medium term. Since the last update to Cabinet, further detailed work has continued to take place to develop the proposals reported to Cabinet at that point in time. As a result of this detailed work, it is anticipated that there could be potential revisions to the phasing of some budget proposals over the medium term. This will be kept under review over the forthcoming months and in the event that rephasing of proposals are required, they will be presented in future reports to Cabinet.

8.2 Where proposals have a 2020-2021 budget reduction or income generation target, further details for individual proposals are available on the Council's website using the following link [www.wolverhampton.gov.uk/financialstrategy](http://www.wolverhampton.gov.uk/financialstrategy)

8.3 For those proposals which do not impact on the 2020-2021 budget, further details for individual proposals will be made available in future reports to Councillors.

8.4 Directors and Heads of Service will continue to develop budget reduction and income generation opportunities for the medium term, in order to ensure that a balanced budget can be set in each individual year.

### **9.0 Budget Risk Management and Timetable**

9.1 A summary of the 2020-2021 budget setting process timetable is detailed in the Table 2.

**Table 2 – Budget Timetable**

<b>Milestone</b>	<b>Deadline</b>
------------------	-----------------

Draft Budget and Medium Term Financial Strategy (MTFS) 2020-2021 to 2023-2024 report to Cabinet	16 October 2019
Formal Budget Consultation and Scrutiny	21 October – 31 December 2019
Report to Cabinet following the Provisional Local Government Finance Settlement	22 January 2020
Final Budget Report 2020-2021 to Cabinet	19 February 2020
Full Council Approval of Final Budget 2020-2021	4 March 2020

- 9.2 As detailed above the budget consultation process will take place from 21 October to 31 December 2019. This consultation process is the start of continuous engagement with the community throughout the year through community events. The Council will explore the use of digital tools to widen community engagement, however the focus will be on priorities for the City.
- 9.3 Cabinet approval is sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance, to approve the final budget consultation arrangements.
- 9.4 The overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2020-2021 to 2023-2024 is assessed as Red. The following table provides a summary of the risks associated with the MTFS, using the corporate risk management methodology.

**Table 3 – General Fund Budget Risks 2020-2021 to 2023-2024**

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for statutory services outstretching the available resources. This particularly applies to adults and childrens social care.	Red
	Risks that might materialise as a result of demands for non-statutory services outstretching the available resources.	Amber
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber

Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Reduction in Income and Funding	Risks that might materialise as a result of the multi-year Spending Review, which is due to be announced in 2020-2021, and reforms to Business Rates Retention and the Fair Funding Review.	Red
	Risks that might materialise as a result of income being below budgeted levels, claw back of grant, or increased levels of bad debts.  The risk of successful appeals against business rates.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise due to structural uncertainties including the impact of exiting the European Union.	Red
	Risks that might materialise as a result of changes to Government policy including changes in VAT and taxation rules, and in particular, from the Care Bill.	Red

## 10.0 Evaluation of alternative options

- 10.1 In determining the proposed Five Year Financial Strategy, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would need to be identified in order for the Council to set a balanced budget for 2020-2021. This may therefore potentially impact upon service provision.

## 11.0 Reasons for decisions

- 11.1 It is recommended that the budget strategy for 2020-2021, including changes to corporate resources assumptions, emerging budget pressures and budget reduction and income generation opportunities, as set out in this report, is approved by Cabinet for budget consultation and scrutiny where necessary. Cabinet will be provided with an update following formal budget consultation and scrutiny in the Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024 report which will be presented to Cabinet in February 2020. In approving this strategy, the Council will be working towards identifying options to be able to set a balanced budget for 2020-2021.

## **12.0 Financial Implications**

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

[MH/08102019/W]

## **13.0 Legal Implications**

- 13.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 13.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 13.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 13.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 13.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '**...make a report ... if it appears to her that the Authority, a**

**committee or officer of the Authority, or a joint committee on which the Authority is represented':**

- a. has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
- b. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
- c. is about to enter an item of account the entry of which is unlawful.

13.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

13.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2020-2021.  
[TS/07102019/Q]

**14.0 Equalities implications**

14.1 The method by which the MTFS for 2020-2021 is developed is governed by the Council Plan priorities described in paragraph 3.2 which itself was guided by consultation and equality analysis. The further development of the various budget proposals for Cabinet's consideration will include an initial equalities screening for each proposal and, where necessary, a full equalities analysis.

14.2 The Council will publish details of its income generating and budget reduction proposals as part of its public consultation around the 2020-2021 budget. No proposal will be approved until the details of the responses to public consultation have been analysed for their impact on equalities. The resulting and final report to Cabinet and Council will contain a supporting equality analysis that will offer information across the whole range of proposals and will include any relevant details from the consultation work findings. The final report will enable Councillors to discharge their duty under Section 149 of the Equality Act 2010.

**15.0 Climate change and environmental implications**

15.1 There are no relevant climate change and environmental implications arising from this report.

**16.0 Health and Wellbeing Implications**

16.1 There are no relevant health and wellbeing implications arising from this report.

**17.0 Corporate Landlord Implications**

- 17.1 There are no relevant corporate landlord implications arising from this report.

## **18.0 Human resources implications**

- 18.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form was issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce employee numbers by up to 500 across the Council in the period 1 April 2019 up to 31 March 2020. The reductions will be through both voluntary redundancy and budget reduction targets which could result in compulsory redundancies.
- 18.2 The numbers included in an HR1 include posts held by colleagues who, as part of business review, redesign and/or restructure, need to be included, as they will need to be put at risk of redundancy. However, many of these employees will apply and be offered jobs in the new structure or elsewhere in the organisation and therefore the number of employees leaving the authority is anticipated to be far fewer than the number declared on an HR1.
- 18.3 A new HR1 will need to be issued with effect from 1 April 2020 to 31 March 2021, on the same basis as the previous one.
- 18.4 Many of the budgetary reductions will be made through efficiencies with new and smarter ways of working and transformation initiatives. Income generation will also be key.
- 18.5 If any reductions in employee numbers are required, these will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment.
- 18.6 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy. The Council will work with partner and external agencies to provide support. If any of the budget reduction targets are to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.
- 18.7 The Council will consult with the recognised Trade Unions on any proposals relating to revisions to NJC terms and conditions of employment.
- 18.8 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.

## **19.0 Schedule of Background Papers**

Cabinet, 31 July 2019 - [Draft Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024](#)

Full Council, 6 March 2019 - [Final Budget Report 2019-2020](#)

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# Cabinet

16 October 2019

## Budget Proposal

<b>Report Title</b>	WV Active Business Model Review
<b>Cabinet member with lead responsibility</b>	Councillor Steve Evans City Environment
<b>Accountable Director</b>	John Denley, Director of Public Health
<b>Originating service</b>	Public Health and Wellbeing
<b>Accountable Employee</b>	Sean McBurney, Head of Service, Leisure & Wellbeing Tel: 01902 556356 Email: Sean.mcburney@wolverhampton.gov.uk

### 1.0 Description of proposal

WV Active's business model has undergone a full review which has included a back to basics approach, looking at the core business operation, membership strategy and operational delivery model.

A restructure of the delivery model is currently being implemented which will build in resilience to the service and lessen the reliance on agency staff, reducing these costs significantly in 2020. Service areas have been compartmentalised and posts incorporated to address identified service improvement areas including member development and retention, customer service and swim school co-ordination. These will directly influence revenue streams by retaining more members, increasing membership numbers and expanding the swim school.

The membership strategy is also being implemented which has included a change in the fitness offer.

## 2.0 Financial Proposal

	2020- 2021 £000	2021- 2022 £000	2022- 2023 £000	2023- 2024 £000	Total
Budget Proposal	200	200	200	300	900
	FTE	FTE	FTE	FTE	FTE
Staffing implications for Full Time Equivalents (FTE)	0	0	0	0	0

## 3.0 Communications Strategy Implications

3.1 There are some Communications Strategy Implications arising from this proposal. A communications plan is being developed to ensure that all stakeholders are consulted and informed appropriately.

## 4.0 Corporate Landlord Implications

4.1 There are some Corporate Landlord Implications arising from this proposal. The condition surveys will inform the repairs and maintenance approach, provide a cyclical work programme and address achievable energy efficiencies across the sites.

## 5.0 Customer Implications

5.1 There are some Customer Implications arising from this proposal. Customers should see an improved level of customer service with all enquiries being responded to by the centres.

## 6.0 Economic Implications

6.1 There are no Economic Implications arising from this proposal.

## 7.0 Climate Change and Environmental Implications

7.1 There are some Climate Change and Environmental Implications arising from this proposal. The conditions surveys will identify potential areas of energy efficiencies, these will be implemented where possible. These will be aligned to the Climate Emergency agenda to support the Council's aim to become carbon neutral by 2028.

## 8.0 Equality Implications

8.1 An Initial Equalities Analysis (IEA) has been completed and there are no equalities implications. A full Equality Analysis is not required.

## 9.0 Financial Implications

9.1 The Financial Implications are detailed in the proposal above.

## **10.0 Health Implications**

10.1 There are some Health Implications arising from this proposal.

The increase in membership and improved fitness offers are aligned to the Public Health agenda and supports the City's Corporate Plan - Priority 5 - Strong Resilient, Healthy Communities - Active healthy life.

## **11.0 Human Resource Implications**

11.1 There are no Human Resource Implications arising from this proposal.

## **12.0 Legal Implications**

12.1 There are no Legal Implications arising from this proposal.

## **13.0 Policy and Corporate Plan Implications**

13.1 There are no Policy and Corporate Plan Implications arising from this proposal.

## **14.0 Procurement Implications**

14.1 There are no Procurement Implications arising from this proposal.



# Cabinet

16 October 2019

## Budget Proposal

<b>Report Title</b>	Waste Programme Phase 2
<b>Cabinet member with lead responsibility</b>	Councillor Steve Evans City Environment
<b>Accountable Director</b>	Ross Cook, Director of City Environment
<b>Originating service</b>	City Environment
<b>Accountable Employee</b>	Ross Cook, Director of City Environment Tel: 01902 552368 Email: Ross.Cook@wolverhampton.gov.uk

### 1.0 Description of proposal

Efficiencies from income generation and review of the Energy from Waste (EfW) contract.

## 2.0 Financial Proposal

	2020- 2021 £000	2021- 2022 £000	2022- 2023 £000	2023- 2024 £000	Total
Budget Proposal	250	0	0	1,000	1,250
	FTE	FTE	FTE	FTE	FTE
Staffing implications for Full Time Equivalents (FTE)	0	0	0	0	0

### 3.0 Communications Strategy Implications

3.1 There are no Communications Strategy Implications arising from this proposal.

### 4.0 Corporate Landlord Implications

4.1 There are no Corporate Landlord Implications arising from this proposal.

### 5.0 Customer Implications

5.1 There are no Customer Implications arising from this proposal.

### 6.0 Economic Implications

6.1 There are no Economic Implications arising from this proposal.

### 7.0 Climate Change and Environmental Implications

7.1 There are no Climate Change and Environmental Implications arising from this proposal.

### 8.0 Equality Implications

8.1 An Initial Equalities Analysis (IEA) has been completed and there are no equalities implications. A full Equality Analysis is not required.

### 9.0 Financial Implications

9.1 The Financial Implications are detailed in the proposal above.

### 10.0 Health Implications

10.1 There are no Health Implications arising from this proposal.

### 11.0 Human Resource Implications

11.1 There are no Human Resource Implications arising from this proposal.

### 12.0 Legal Implications

12.1 There are no Legal Implications arising from this proposal.

### **13.0 Policy and Corporate Plan Implications**

13.1 There are no Policy and Corporate Plan Implications arising from this proposal.

### **14.0 Procurement Implications**

14.1 There are some Procurement Implications arising from this proposal. Any changes to the current contracts will be procured through the relevant procurement rules and processes.

# Briefing Note

**Title: Feedback on Westside Link transportation questions**

**Date: 24 October 2019**

**Prepared by: Ruth Taylor**

**Job Title: Senior Regeneration Officer**

**Intended Audience:**

Internal ☐

Partner organisation ☐

Public ☒

Confidential ☐

## Purpose or recommendation

The purpose of this briefing note is to update and feedback to the Vibrant and Sustainable City Scrutiny Panel on questions raised at the joint Scrutiny meeting on 16 July and the Stronger City Economy Scrutiny Panel meeting on 2 September.

## Overview

The note seeks to give clarity and update on progress with issues and queries raised at the meetings and to outline a way forward for future communication with the Scrutiny panels.

## Background and context

On 16 July the Stronger City Economy Panel held a joint meeting with the Vibrant and Sustainable City Scrutiny Panel in order to receive a series of presentations on the City Transport strategy which included an update on progress with the Westside Link scheme. A number of queries were raised at that meeting and a further presentation was subsequently received by the Stronger City Economy Panel on 2 September with further detail given specifically on the Westside Link phase 1 (Victoria Street) project. The minutes from both meetings can be found on the Council's website.

## Detailed responses

### Member Reference Group

At the 16 July joint Scrutiny meeting Councillor Steve Evans reported that in order to provide a platform for members to raise their detailed queries about the Westside Link scheme he had invited a number of members from both Scrutiny Panels to join an informal member reference group (MRG). The joint Scrutiny Panel endorsed this approach and asked for Councillor M Waite, Councillor P Bateman and Councillor P Birch to be invited to join the group. The members of that group now consist of;

- Cabinet Member for City Environment - Councillor S Evans (chair)

- Council Leader – Councillor I Brookfield
- Cabinet Member for City Economy – Councillor H Banger
- Two Councillors from Stronger City Economy Scrutiny Panel – Councillor P Bateman and Councillor Dr P Birch
- One Councillor from Vibrant and Sustainable City Scrutiny Panel - Councillor M Waite.

The terms of reference of the group, which have been agreed, are to review progress, provide robust challenge and debate around the design and delivery of the project and provide feedback to the Scrutiny panels.

The group had its inaugural meeting on 3 October and members received detailed progress information on all 3 phases. The next meeting of the Group is on 7 November and it was agreed that the group should meet monthly in the first instance.

### Cleveland Street

At the joint Scrutiny meeting on 16 July a panel member expressed concern about the increased bus movement in Cleveland Street that would be created by the implementation of the Westside Link scheme. Phase 1 of the project, which will see displacement of the existing bus routes from Victoria Street onto School street will not result in any increase in bus movement in Cleveland Street as existing routes will be maintained from the point of exit from Salop Street. In consultation with Transport for the West Midlands (TfWM), a new bus stop is being proposed in Cleveland Street to meet the additional demand by passenger wishing to alight at the new market and the potential additional demand that will be created by the City Learning Quarter.

Bus rerouting and new stops which may need to be created as part of the Phase 2 (Queen Square) proposals will be further scoped with TfWM, National Express and others bus operators, however from the traffic modelling undertaken to date, the options around new routes will mean that Cleveland Street will not necessarily receive a significant increase in routes as this will be spread across other routes being proposed around the city centre.

The MRG have invited National Express to their meeting in December to hear their comments on the proposals for phase 1 and their anticipated challenges in respect of phase 2.

### City Centre churches

At the Stronger City economy Scrutiny Panel on 2 September the panel asked that St Peters Church and St Peter and St Pauls church concerns be discussed in detail and every effort to mitigate issues regarding access be addressed. The MRG have discussed the specific issues relating to the churches for phases 2 and 3 and it was resolved that additional separate meetings will be set up with the leaders of the churches, Councillor Birch and the project team to update on progress and feedback specific concerns to the MRG for detailed discussion and resolution.

### Transport Strategy for the City

Councillor P Bateman expressed concern at the September Panel meeting about the lack of clarity in respect of how the Westside Link scheme met the future needs of the city both in terms of vision and connectivity. Subsequently the MRG discussed this issue in detail and a further clarification

meeting was held with Councillor Bateman where the Service Manager Transport Strategy was able to outline the clear strategic rationale for the scheme in the context of City's transport network, vision for the city and future aspirations for transport growth. Further discussion will continue as part of the MRG remit.

## **Next Steps**

Detailed technical design is continuing on Westside Link phase 1 (Victoria Street). Target costs and final designs will be completed by January 2020, when further consultation will take place. Capital funding for the delivery of the scheme remains the biggest challenge.

Following an invitation to proceed to the second round of bidding for the Future High Street Fund, the West Side Link phase 1 project, which has been identified as an early intervention in the bid, will continue to be presented as a "shovel ready" scheme capable of immediate delivery once funding becomes available. The timeline for funding which was originally identified as November 2019 for first drafts of the Full Business Case, has now been moved to January 2020. This has subsequently meant that the announcement of funding approvals will not now take place until the summer 2020. This is creating an issue with retaining the project at shovel ready status and the project team are working with our contractors who are undertaking the Early Contractor Involvement to try to mitigate the risks to the future delivery of the project. In the meantime, discussions have been ongoing with the Black Country Local Enterprise Partnership (BCLEP) for options around alternative sources of funding. A full Business case has now been submitted to their Programme Office for discussion and consideration.

Options around the design of Phase 2 of the project are the subject of discussion and consideration at the MRG and consultation with stakeholders as outlined above will continue to seek the best possible options.

Scoping of the phase 3 project around the Civic Halls will also continue in consultation with stakeholders and the project team delivering the Civic Halls development.

Details of the options for phase 2 and progress with phase 3 will be reported back through the MRG in due course.



# Briefing Note

**Title: Briefing Note on Potholes in City of Wolverhampton**

**Prepared by: John Roseblade**

**Job Title: Head of City Transport**

**Intended  
Audience:**

Internal ☐

Partner organisation ☐

Public ☒

Confidential ☐

## Purpose or recommendation

To brief the Vibrant and Sustainable City Scrutiny Panel on the issue of potholes within the City of Wolverhampton.

## Overview

The safe and efficient movement of traffic is an integral factor to the health and economy of our city. Overall capacity of the highway network and effective traffic control will play a significant part in ensuring this, however the ongoing quality and condition of the existing infrastructure is also key. It is imperative that our limited resources are used in the most efficient and effective manner to maintain the highway.

## Background and context

City of Wolverhampton has around 450 miles (735 km) of highway. As Highway Authority City of Wolverhampton Council has a statutory duty to maintain a "highway maintainable at public expense" in a safe and serviceable condition. Failure in this duty can lead to claims against the Council for compensation for personal injury, loss and damage.

It is widely acknowledged that there has been a national underfunding of highway maintenance for a sustained period of time. The rate of deterioration has vastly out paced the levels of maintenance and the prevalence of potholes/defects is a common issue. The Asphalt Industry Alliance commissions an independent annual survey into road condition (Annual Local Authority Road Maintenance Survey (ALARM)). The 2019 survey reiterated that to bring all of the country's roads back up to a "reasonable" standard would take 10 years to complete and cost £9.8 billion. For CWC this equates to approximately £24 million. Our annual resurfacing budget is in the region of £3 million.

With available resources it is not possible to reach a position where all of Wolverhampton's roads are defect free. This is acknowledged in law and there is a statutory defence to compensation claims where the authority can demonstrate that it has acted reasonably.

## Proposal/Options

City of Wolverhampton has an adopted policy setting out Highway Inspection regimes and the criteria governing intervention/action. All roads and footways are inspected at least once a year with those more heavily trafficked receiving more frequent attention.

Response rates are also graded in relation to the degree of risk that they represent:

Category 1 defects are those that require prompt attention because they represent an immediate or immanent hazard, or there is a risk of short term structural deterioration.

Category 2 defects are all others that are deemed not to represent such an imminent risk. Scheduling of these repairs will be much less of a priority and will take into account considerations of factors like access requirements, planned works in the near future, traffic levels, the possibility of combining with other works etc.

Our defined response times are as follows:

**Category 1A** defects have a response target of 2 hours.

Examples include:

- Missing covers to large chambers, manholes, gully gratings, etc.
- Substantial debris or obstruction of carriageway (e.g. brick, large piece of metal, fallen tree branch)
- Exposed electrical wiring
- Any significant highway structure in imminent danger of collapse including, for example, street lighting columns, traffic signs, traffic signal poles, retaining walls or large chamber/ manhole covers

**Category 1B** defects have a response time of 24 hours

Examples will include:

- Trips greater than 25mm in busy footways and pedestrian areas (e.g. city centre, on the carriageway at controlled pedestrian crossings)
- In carriageways any pothole greater than 50mm deep, or any other defect causing a trip/ sharp difference in levels greater than 50mm
- Any other defect that, in the surveyor's view, requires urgent attention because it represents an immediate or imminent hazard to highway users.

**Category 2A** High Priority - Category 2 (30 Day Repair) defects are those that will, in the opinion of the inspector, become Cat 1 within 3 months if not attended to.

**Category 2B** Medium Priority - Category 2 (90 Day Repair) defects are those that are likely to become Cat 1 in 3-12 months' time.

**Category 2C** Low Priority - Category 2 (180 Day Repair) defects are those that are likely to become Cat 1 in 3-12 months' time.

## Numbers of defects reported / repaired

Rather than “potholes” we tend to refer to “defects” as there is some debate about what constitutes a pothole.

Below are the numbers taken directly from Confirm system.

Year	No reported	No Repaired
2017	4274	4213
2018	7481	6880
2019 (to date)	3876	3591

Please note that in 2018 CWC commenced a 10-week trial with spray injection patching. This is a rapid mobile pothole repair technique dramatically increasing our responsive capacity. This was repeated in 2019 however the figures above do not yet include this aspect of our response.

## Examples of techniques utilised

### Temporary emergency repair



This is used where a quick/temporary repair is necessary for example in a busy traffic sensitive location or where further, more permanent works are possible in the near future. A range of different materials have been used for this purpose.

### **Permanent localised repairs**



These are where the affected area is cut out and patched, sealing the edges. These repairs take longer to carry out, have more affect on traffic/congestion but will normally last longer than temporary repairs.

### **Large scale patching**



This is much more intensive but can be more efficient where there are a number of defects in close proximity.

## Spray Injection repairs

A relatively new technique where pre-coated aggregate is sprayed at high velocity into a sealed defect. The technique is very fast, minimising disruption, however the repairs have been demonstrated to be relatively robust.



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