

Attendance

Members of the Cabinet

Cllr Ian Brookfield (Chair)
Cllr Paula Brookfield
Cllr Louise Miles (Vice-Chair)
Cllr Steve Evans
Cllr Dr Michael Hardacre
Cllr John Reynolds
Cllr Stephen Simkins
Cllr Jacqueline Sweetman

Employees

Tim Johnson	Chief Executive
Mark Taylor	Deputy Chief Executive
Emma Bennett	Director of Children's Services
Tracey Christie	Head of Legal Services
Ross Cook	Director of City Environment
John Denley	Director of Public Health
Ian Fegan	Director of Communications and External Relations
Charlotte Johns	Director of Strategy
Richard Lawrence	Director of Regeneration
Denise Pearce	Head of Human Resources
Laura Phillips	Head of Democratic and Support Services
Alison Shannon	Chief Accountant
David Watts	Director of Adult Services
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies for absence
Apologies for absence were submitted on behalf of Councillors Jasbir Jaspal and Linda Leach. |
| 2 | Declaration of interests
Councillor Stephen Simkins declared a non-pecuniary interest in item 5 (Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021) insofar as it refers to projects, Bradley Canal Arm Restoration and Bilston Memorial Restoration Bilston Remembered. |

3 **Minutes of the previous meeting - 3 June 2020**

Resolved:

That the minutes of the previous meeting held on 3 June 2020 be approved as a correct record and signed by the Chair.

4 **Matters arising**

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

5 **Capital Budget Outturn 2019-2020 Including Quarter One Capital Monitoring 2020-2021**

Councillor Louise Miles presented the Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021 for approval and recommendation to Full Council. She reported that the capital programme reflected the Council's continuing vision for the City and was a significant investment programme. The impact of Covid-19 on the economy both locally and nationally made the programme even more essential. However, as a result of the Covid-19 emergency, the programme was subject to delays to its delivery time scales and to some projected increases in costs. She also drew to Cabinet's attention increases to the capital programme which had been approved since the last update.

Resolved:

That Council be recommended to:

1. Approve the revised medium term General Revenue Account capital programme of £380.8 million, an increase of £2.0 million from the previously approved programme, and the change in associated resources.
2. Approve the revised Housing Revenue Account (HRA) capital programme of £462.2 million, a reduction of £20,000 from the previously approved programme, and the change in associated resources.

That Cabinet:

1. Approve the virements for the General Revenue Account capital programme detailed at Appendix 5 to the report for:
 - i. Existing projects totalling £12.0 million;
 - ii. New projects totalling £1.6 million.
2. Approve the virements for the HRA capital programme detailed at Appendix 5 to the report for:
 - i. Existing projects totalling £12.9 million.
3. Notes the General Revenue Account outturn position for 2019-2020 which stands at 87.6% of the approved capital budget.
4. Notes the HRA outturn position for 2019-2020 which stands at 91.8% of the approved capital budget.
5. Notes that the Covid-19 pandemic has had an impact on development projects internationally, nationally and regionally and also on projects within the City.

6 **Treasury Management - Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021**

Councillor Louise Miles presented the Treasury Management Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021 for noting and recommendation to Full Council. She informed Cabinet that the report showed very strongly the impact of Covid-19 on the Council's finances and on the rules and regulations and accounting measures by which the Council operates.

Councillor Ian Brookfield congratulated Councillor Miles and the Finance Team for their continued good stewardship of the Council's finances. He said, without that stewardship the Council could not do the things for the people of Wolverhampton that they deserve and what the Council wants to deliver.

Resolved:

That Council be recommended to:

1. Delegate authority to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the two credit rating agencies, due to the unprecedented impact of Covid-19 on the economy.

That Council be asked to note:

1. That the Council operated within the approved Prudential and Treasury Management Indicators, and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2019-2020.
2. That revenue underspends of £440,000 for the General Revenue Account and £273,000 for the Housing Revenue Account (HRA) were generated from treasury management activities in 2019-2020.
3. That revenue underspends of £1.5 million for the General Revenue Account and £434,000 for the HRA are forecast from treasury management activities in 2020-2021.
4. That due to receipt of grants from Central Government in response to Covid-19 the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account. The temporary increase of the limit to £32.7 million was approved by the Director of Finance under the authority delegated by Council and was in place for the period 1 April 2020 to 9 April 2020.

7 **Revenue Budget Outturn 2019-2020**

Councillor Louise Miles presented the report on the Council's revenue budget outturn position for 2019-20210 compared with approved budget and targets. A net underspend of £2 million had been achieved against the General Fund net budget. One of the areas where this had been achieved related to the Pensions Fund take up. Councillor Miles took the opportunity to encourage the Council's employees join the pension fund and take up the opportunities the scheme offers.

Councillor Louise Miles also reported that from a recent Government announcement the Council had been informed, in relation to the indirect losses it had suffered as a result of Covid-19, the it would have the meet the first 5% of those costs and then the Government would meet 75p in every £1 of the income losses. This meant that the Council would have to meet 25p in every £1 of these income losses. The revenue

budget 2019/2020 underspend would be used for the Covid-19 related issues and costs and to assist further in the costs for the Council's recovery proposals.

Resolved:

1. That the write off of; three non-domestic rates totalling £21,739.16, one sundry debt totalling £6,239.45 and two council tax account totalling £12,186.24 as detailed in Appendices 4 to 6 respectively to the report be approved.
2. That 11 virements totalling £3.9 million, for transfer within directorates, as detailed in Appendix 7 to the report be approved.
3. That it be noted that the revenue outturn position for 2019-2020 for the General Fund; a net underspend of £2.0 million (-0.85%) was achieved against the net budget requirement of £234.9 million, after meeting the net cost of redundancy and pension strain and contributions to essential earmarked reserves. The underspend is due to a combination of budget efficiencies across a number of services; including holding posts vacant pending restructures, additional income generation, contingency budgets held for in-year pressures not being required in full, the early achievement of budget reduction targets and a lower number of employees enrolling into the pension scheme. More information is detailed throughout the report.
4. That it be noted that whilst the positive General Fund outturn position during 2019-2020, and the resulting adjustments to reserves, would help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying further projected budget reductions which were estimated at £15.5 million in 2021-2022, rising to around £20 million over the medium term to 2023-2024 when reported to Full Council in March 2020. The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Cabinet would be presented with a report in July 2020 which would provide more detail on the budget implications and the Medium Term Financial Strategy.
5. That it be noted that the General Fund outturn position takes into account a number of proposed transfers to and from reserves, provisions and balances for which approval is sought in the Reserves, Provisions and Balances 2019-2020 report to be presented at this meeting.
6. That it be noted that schools which remain under the control of the City of Wolverhampton Council have contributed net £1.2 million of their reserves during 2019-2020 after adjusting for the balance attributable to academies, which takes the total accumulated reserves to £6.3 million at 31 March 2020.
7. That it be noted that the Housing Revenue Account revenue outturn position for the year was a surplus before allocations of £19.9 million, compared to a budgeted surplus of £20.4 million.
8. That the Collection Fund outturned with a £2.3 million deficit during 2019-2020; this resulted in an overall deficit of £1.5 million to be carried forward.

9. That 26 non-domestic rates accounts totalling £233,707.28 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
10. That 759 council tax accounts totalling £158,727.36 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
11. That 37 sundry debt accounts totalling £50,969.14 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
12. That 31 housing benefit debt accounts totalling £14,004.24 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
13. That ten debts relating to Business Improvement District (BID) totalling £3,005.73, have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

8 **Reserves, Provisions and Balances 2019-2020**

Councillor Louise Miles presented the report on the Council's earmarked reserves, provisions and general balances as at 31 March 2020 taking account of the outturn position for 2019-2020. In doing so she drew to Cabinet's attention the newly created Recovery Reserve to support the Council's Covid-19 recovery strategy. She also informed Cabinet that in order to be prudent and to strengthen the Council's position regarding Covid-19 costs, it was proposed that the General Fund balance be increased to £13 million. It was also the intention to protect earmarked reserves that had been set aside.

Resolved:

1. That the transfers (to)/from earmarked reserves, provisions and general balances as detailed in tables 2, 3 and 4 to the report be approved.
2. That the expenditure from provisions for their purposes as set out in Appendix 3 and 4 to the report be approved, up to the value held in each provision as at 31 March 2020.
3. That the continuation of delegation of authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Budget Contingency Reserve, the Regeneration Reserve, the Efficiency Reserve, the Transformation Reserve, the Development Reserve, the Regional Work Reserve, the Enterprise Zone Business Rates Reserve, the Business Rates Equalisation Reserve, the Treasury Management Equalisation Reserve, the Pension Deficit Recovery Reserve, the Budget Strategy Reserve, the Highways Management Reserve and Community Initiatives and Crowdfund Wolves Reserve be approved.
4. That the delegation of authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Recovery Reserve be approved.

5. That the level of the Council's earmarked reserves, provisions and general balances as at 31 March 2020 and the purposes for which they are being held, as detailed in Appendix 1, 2, 3 and 4 to the report be noted.
6. That it be noted that the relevance and adequacy of earmarked reserves and general balances would be reviewed as required by the Constitution during the 2021-2022 budget setting process.
7. That it be noted that the allocation of funding from all earmarked reserves would be reported to Cabinet (Resources) Panel in the scheduled quarterly budget monitoring reports.
8. That it be noted that Our Council Scrutiny Panel would scrutinise the use of reserves as part of the budget setting process as in previous years.
9. That it be noted that the Director of Finance considers that the overall level of all reserves, provisions and balances is sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.
10. That it be noted that whilst the positive General Fund outturn position during 2019-2020, and the resulting adjustments to reserves, would help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying further projected budget reductions which were estimated at £15.5 million in 2021-2022, rising to around £20 million over the medium term to 2023-2024 when reported to Full Council in March 2020.
11. That it be noted that the Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Cabinet would be presented with a report in July 2020 which would provide more detail on the budget implications and the Medium Term Financial Strategy.
12. That it be noted that the figures quoted in the report are still subject to statutory audit by Grant Thornton UK LLP as part of the 2019-2020 accounts closedown process.

9

Housing Managing Agents Performance Monitoring Report - Quarter Four January to March 2020

Councillor Jacqueline Sweetman presented the report on the performance of Wolverhampton Homes (WH) and the Tenant Management Organisations (TMO) in managing and maintaining Council owned properties during quarter four (January to March) of 2019-2020. Overall Wolverhampton Homes and TMOs had generally performed well on rent management, repairs management and voids and allocations during the period, but there were indicators that the Council would need to be aware of. The report also included performance of Wolverhampton Homes in the delivery of homelessness services as part of a service level agreement with the Council. The performance indicators showed an improved position from the previous year. Councillor Sweetman also reported on action the Council had taken with its partners to move residents out of a homelessness situation into appropriate accommodation. Ongoing work to support people to transition from homelessness and to take more control of their lives would be monitored to assess how they are working.

[NOT PROTECTIVELY MARKED]

Resolved:

That the performance of Landlord Services, Homelessness Services and the Home Improvement Agency for quarter four 2019-2020 be noted.