

Attendance

Members of the Cabinet

Cllr Ian Brookfield (Chair)
Cllr Louise Miles (Vice-Chair)
Cllr Paula Brookfield
Cllr Steve Evans
Cllr Dr Michael Hardacre
Cllr Jasbir Jaspal
Cllr Linda Leach
Cllr John Reynolds

Employees

Tim Johnson	Chief Executive
Mark Taylor	Deputy Chief Executive
Emma Bennett	Director of Children and Adult Services
Ross Cook	Director of City Environment
Charlotte Johns	Director of Strategy
Richard Lawrence	Director of Regeneration
Claire Nye	Director of Finance
David Pattison	Director of Governance
Laura Phillips	Deputy Director of People and Change
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer

Part 1 – items open to the press and public

Item No. Title

- 1 Apologies for absence**
Apologies for absence were submitted on behalf of Councillors Stephen Simkins and Jacqueline Sweetman.
- 2 Declaration of interests**
Mark Taylor, Deputy Chief Executive and Ross Cook, Director of City Environment both declared a non-pecuniary interest in item 5 (Capital Programme 2020-2021 to 2024-2025 Quarter 2 Review) as they are both Directors of WV Living. They also declared a non-pecuniary interest in item 6 (Treasury Management Activity Monitoring – Mid Year Review 2020-2021) due to the references to loan facilities to WV Living within the report.

Councillor Linda Leach declared a non-pecuniary interest in item 7 (Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024) in so far as she is a small business owner within the City.

3 **Minutes of the previous meeting**

Resolved:

That the minutes of the previous meeting held on 7 October 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.

Decision items (Red - for decision by the Council)

The Chair reported that the next two items on the agenda would require Council approval. He sought confirmation on how this would be secured given that the Council meeting scheduled for 18 November would not be taking place because of current Covid restrictions. David Pattison, Director of Governance reported that whilst we are in the period of national lockdown, until that ends there would not be any Full Council meetings. That means the 18 November Council meeting had been cancelled and any decisions that would have been made by that Council would be made using the Urgent Powers under the Council's Constitution.

5 **Capital Programme 2020-2021 to 2024-2025 Quarter Two Review**

Having previously declared a non-pecuniary interest, Mark Taylor, Deputy Chief Executive and Ross Cook, Director of City Environment both left the virtual meeting during Cabinet's consideration of agenda item 5 (Capital Programme 2020-2021 to 2023-2024 - Quarter 2 Review) and item 6 (Treasury Management Activity Monitoring - Mid Year Review 2020-2021).

Councillor Louise Miles presented the headlines from the update report on the Council's Capital Programme. The programme of £299.9 million, showed an increase of £11.4 million since the last report to Cabinet. The projects which contributed to this overall increase were schools, highways improvements, the Interchange project, and parks and open spaces. She reported that this showed the Council's continuing commitment to the regeneration of the city and to the Relighting Our City priorities as a result of the Covid-19 pandemic. Councillor Miles also reported on the position within the Housing Revenue Account (HRA) capital programme that remained at £403.9 million. Cabinet's attention was also drawn to a new project, The Future High Streets Fund, (Minute 12 below refers). The Council was required to confirm that it would be providing match funding into the project as a condition of being able to make a bid to the Fund. Continued arrangements for providing loan facilities to Wolverhampton Homes as previously approved at a Joint Cabinet and Cabinet (Resources) Panel meeting on 23 June 2020 were also highlighted.

Cabinet members welcomed the proposals in the report which built on the Relighting Our City agenda.

Resolved:

That Cabinet recommend that Council approve:

1. The revised, medium term General Revenue account capital programme of £299.9 million, an increase of £11.4 million 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 4 to the report for;
 - i. existing projects totalling £2.7 million;
 - ii. new projects totalling £6.3 million.
2. Approve the virements for the HRA capital programme detailed at Appendix 4 to the report for;
 - i. existing projects totalling £1.5 million;
 - ii. new projects totalling £32.9 million.
3. Approve the Supplemental Deed of Variation relating to governance of Enterprise Zone funding across the four Black Country Authorities detailed at Appendix 5 to the report.
4. Delegate authority to the Cabinet Members for City Economy in consultation with the Director of Regeneration and Director of Governance to conduct any negotiations and to make any minor amendments and to subsequently authorise the sealing of the Supplemental Deed of Variation Relating to the Collaboration Agreement in Relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014 and the sealing or signing of any related documents.
5. Delegate authority to the Cabinet Member for Education and Skills, in consultation with the Director of Children's Services and the Director of Finance, to approve the allocation of the Expansion Programme budgets to individual capital projects including making grant payments where appropriate in order that projects can be progressed in a timely manner.
6. Continue to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve the terms of a loan facility to Wolverhampton Homes. This is an extension of time in respect of the approval that was previously given by a joint meeting of Cabinet and Cabinet (Resources) Panel on 23 June 2020.
7. Note there is one new project requiring internal resources included in the report, which is subject to a separate detailed project report also on the agenda. The inclusion of this project is for budget approval purpose and is on the assumption that the approval to progress with the project is given. As the progression is dependent on that decision, if the project is not approved, the capital programme would be reduced accordingly. The name of the project is:
 - Future High Street Fund

- 6 **Treasury Management Activity Monitoring - Mid Year Review 2020-2021**
Councillor Louise Miles presented the headlines from the update report on the Treasury Management Activity Monitoring. She confirmed that the Council had operated within all the required rules and protocols. There was a forecast revenue underspend of £1.8 million for the General Revenue Account and a £682,000 from the Housing Revenue Account. This was essentially as a result of the impact of Covid-19, the need to rephase the capital programme, and the reduced cost of borrowing as a result of lower interest rates. Councillor Miles also reported on the

position of two out of three credit rating agencies downgrading the UK's sovereign rating and an action that the Director of Finance would take under a previously approved delegated authority, if the third credit rating agency followed and downgraded the UK's credit rating.

Resolved:

That Council be recommended to approve:

1. That a mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved in March 2020.
2. That revenue underspends of £1.8 million for the General Revenue Account and £682,000 for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2020-2021, arising as a result of re-phasing of the capital programme and lower interest rates forecast on borrowing due to the impact on the economy of Covid-19.
3. That two of the three credit rating agencies have downgraded the UK's credit rating. If the remaining credit rating agency follows suit the Director of Finance would lower the minimum sovereign rating in the Annual Investment Strategy in line with the delegated authority approved by Council on 17 July 2020.

That Cabinet notes:

1. The financial information included in the report is based on the 'Capital Programme 2020-2021 to 2024-2025 Quarter Two Review' report also on the agenda for this meeting. The capital report is subject to a report being separately approved by Cabinet also at this meeting. Therefore, if this approval is not obtained, a revised version of this report would be presented to Council on 18 November 2020.

7 **Draft Budget and the Medium Term Financial Strategy for the period of 2021-2022 to 2023-2024**

Councillor Louise Miles presented the key points from the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 report. Cabinet's approval was sought to continue work on setting a balanced budget for 2021-2022. She reported that were it not for the Covid-19 pandemic, the Council would be faced with a budget deficit by 2021-2022 of £4.5 million, which was not an unusual position to be in at this stage in the budget making cycle. However, Covid-19 had had a huge impact on the Council's finances and would continue to do so. Current forecasts were for a challenging time with cuts of more than £23 million to local services that the City's residents depend on unless additional Government funding was received. She called upon the Government to keep the pledges it had made and do whatever it takes to help local councils with regard to the financial impact of Covid-19; and to put forward a joined up strategy with regard to the future financial aid and grants for councils in the Covid-19 emergency but also generally with regard to resources that they give to councils.

Resolved:

That Council be recommended to approve:

1. The updated draft budget strategy linked to the Five Year Financial Strategy, including changes to corporate resource assumptions and growth and

inflation, for inclusion in the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024.

2. That work continues to further develop budget reduction and income generation proposals, in order to ensure that a balanced budget can be set for 2021-2022.
3. That authority be jointly delegated to the responsible Cabinet Member and the Cabinet Member for Resources, in consultation with the responsible Director and the Director of Finance to vary fees and charges in line with key priorities.
4. That authority be jointly delegated to the Cabinet Member for Resources, in consultation with the Director of Finance to establish supplementary revenue budgets funded by grant and approve any virements required to support the costs associated the second national lockdown. As detailed in paragraph 3.8 to the report, the Government have announced a number of grants for local authorities in response to the second national lockdown. At the time of writing this report, the full details of these grants were not known.

That Cabinet notes:

1. That the Council needs the Government to provide confirmation of future years funding as soon as possible and by early December at the latest, in order to ensure that the Council has a clear direction of funding available over the medium term.
2. That, despite austerity since 2010, the Council has a strong track-record of managing money well, planning ahead and delivering excellent services. The financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy.
3. The impact Covid-19 has had and would continue to have a significant financial impact on the 2020-2021 budget and Medium Term Financial Strategy. However, following announcements made by Government it is assumed that sufficient grant funding would be provided to cover the cost pressures arising as a result of the Covid-19 pandemic. Taking this into account, the 2021-2022 projected budget deficit stands at £4.5 million.
4. That, in the event that the Government do not provide sufficient grant funding to meet the cost pressures arising as a result of the Covid-19 pandemic, the 2021-2022 projected budget deficit would be in the region of £23.2 million. This would have a significant impact on the Council and result in the Council undertaking a fundamental review of all services in order to identify budget reductions sufficient enough to set a balanced budget.
5. That, a number of assumptions have been made with regards to the level of resources that would be available to the Council as detailed in the 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 Comprehensive Spending Review period. At the point that further information is known it would 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.

6. 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.
7. That the 2021-2022 budget timetable would, as in previous years, include an update on all budget assumptions and the outcome of the Provisional Local Government Settlement would be presented to Cabinet by January 2021, with the final budget report due to be approved by Full Council in March 2021.
8. That the overall level of risk associated with the 2020-2021 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 is assessed as Red.

8 **Principal Social Work Annual Report**

Councillor Linda Leach presented a progress report on the work of the Principal Social Worker to promote and improve the quality of social work practice, and outline priority areas of work to be undertaken in 2020-2021. The report showed good progress in both children's and adults social work over the last 12 months. She particularly highlighted the Think Whole Family approach and welcomed that the services were retaining the social work students it had trained, and that the turnover of social work staff in Wolverhampton was lower than the national average. She looked forward to building on the improvements set out in the Principal Social Worker's report going forward.

Councillor John Reynolds added that he welcomed the improved recruitment and retention of social workers. There was still more to do in this area and the work of the Principal Social Worker would be key. The Annual report set out approaches to recruiting, assessing and retaining social workers in Wolverhampton.

Resolved:

1. That the work of the Principal Social Worker and the continued impact it has on social care practice across children's and adults' services be endorsed.
2. That the main priorities for the Principal Social Worker identified for 2020-2021 be approved.

9 **Community Asset Transfer: Policy and Strategy Review**

Councillor John Reynolds presented for approval a revised community asset transfer (CAT) strategy. The key updates to the strategy make clear what the benefits and risks of a community asset transfer are to the organisation involved to make sure there is complete transparency from the outset. It also provides a clear timeline for the CAT process so people know how long it would take; and was more flexible, to allow for differentiating circumstances, as no CAT are the same.

Resolved:

That the revised Community Asset Transfer Strategy be approved.

10 **Housing Allocations Policy Implementation**

Councillor John Reynolds presented the report on a proposal to extend the implementation period of the revised Housing Allocations Policy which was approved by Cabinet on 19 February 2020. The Covid-19 pandemic had meant that the policy had not been implemented in the way planned. It was originally intended for the

policy to be fully implemented in February next year. Implementation in the middle of 2021 was now proposed. Minor policy amendments, including its application to people who have been subject to domestic violence, were also proposed. The change would make sure that they can be moved as quickly as possible away from the issues they have got and into safe accommodation.

Resolved:

1. That the amendments to the Housing Allocations Policy as detailed in paragraph 3.6 of the report be approved.
2. That an extension to the implementation of the Housing Allocations Policy be approved.
3. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Director for City Environment, to authorise a 'go live date' for the Housing Allocations Policy.

11 **Exclusion of press and public**

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

Part 2 - exempt items, closed to press and public

The Chair reported that as stated previously the meeting was in confidential session as the information included in the report could, if released into the public domain, prejudice the financial position of the Council or its partners. As such all present are under a legal duty of confidentiality and must not disclose any confidential information - to do so would not only be a breach of the Council's codes (for councillors and employees) but also a breach of the legal duty of confidentiality.

12 **Future High Streets Fund - Bid Update**

Councillor Ian Brookfield present the update report on the £22.85 million bid to Government for Future High Streets Fund to revitalise the area known as City Centre West. Councillor Steve Evans highlighted the public realm enhancement projects within the bid.

Councillor John Reynolds sought clarification on whether it was intended for Cabinet to receive reports for approval on each individual project within the Council's bid. David Pattison, Director of Governance advised that Cabinet would have to approve the individual business case for each project. However, that could be delegated down to the appropriate Cabinet member(s) to approve through an Individual Executive Decision Notice.

Resolved:

1. That authority be delegated to the Cabinet Members for City Economy, City Environment and Resources in consultation with the Directors of Regeneration, City Environment and Finance to approve the full terms and conditions of a resultant Future High Streets Fund grant funding agreement.

2. That it be noted that the capital costs, funded by internal resources, included in the report have been incorporated into the 'Capital Programme 2020-2021 to 2024-2025 Quarter Two Review' report, which is also on the agenda and would subsequently be reported to Full Council for approval on the 18 November 2020, assuming that Cabinet approval to progress with the project is given. As the progression is dependent on that decision, if the project is not approved, the capital programme would be reduced accordingly.
3. That it be noted that Cabinet would receive future update reports that would detail the individual projects within the Future High Streets Fund bid.
4. That it be noted that if the City Centre West Future High Streets bid is unsuccessful or a reduced grant is awarded, the spending commitment may be reviewed accordingly.
5. That the land assembly strategy for the Future High Streets Fund area and previous Cabinet approvals as set out in the report be noted.