

Time 5.00 pm **Public Meeting?** YES **Type of meeting** Executive
Venue Online

Membership

Chair Cllr Ian Brookfield (Lab)
Vice-Chair Cllr Louise Miles (Lab)

Labour

Cllr Paula Brookfield
Cllr Steve Evans
Cllr Dr Michael Hardacre
Cllr Jasbir Jaspal
Cllr Linda Leach
Cllr John Reynolds
Cllr Stephen Simkins
Cllr Jacqueline Sweetman

Quorum for this meeting is five Councillors.

Information for the Public

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

Contact Dereck Francis
Tel/Email Tel: 01902 555835 or dereck.francis@wolverhampton.gov.uk
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Wolverhampton WV1 1RL

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declaration of interests**
- 3 **Minutes of the previous meeting** (Pages 5 - 8)
[For approval]
- 4 **Matters arising**
[To consider any matters arising from the minutes of the previous meeting]

DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5 **Capital Programme 2020-2021 to 2024-2025 Quarter Two Review** (Pages 9 - 68)
[To approve the Capital Programme 2020-2021 to 2024-2025 Quarter Two Review]
- 6 **Treasury Management Activity Monitoring - Mid Year Review 2020-2021**
(Pages 69 - 92)
[To approve the Treasury Management Activity Monitoring - Mid Year Review 2020-2021]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 7 **Draft Budget and the Medium Term Financial Strategy for the period of 2021-2022 to 2023-2024** (Pages 93 - 120)
[To provide an update to the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 and next steps that will be taken in order to address the financial pressures faced by the Council over the medium term]
- 8 **Principal Social Work Annual Report** (Pages 121 - 136)
[To receive the report outlining the work of the Principal Social Worker 2019-2020]
- 9 **Community Asset Transfer: Policy and Strategy Review** (Pages 137 - 158)
[To approve a refreshed Community Asset Transfer Strategy]
- 10 **Housing Allocations Policy Implementation** (Pages 159 - 202)
[To approve amendments to the Housing Allocations Policy and Implementation date]

- 11 **Exclusion of press and public**
[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business as it involves the likely disclosure of exempt information on the grounds shown below.]

Part 2 - exempt items, closed to press and public

- | | | | |
|----|---|---|-----|
| 12 | Future High Streets Fund - Bid Update
(Pages 203 - 212)
[To provide a synopsis of the Future High Streets Fund bid, and progress updates and timescales for the next steps in the awarding of grant] | Information relating to the financial or business affairs of any particular person (including the authority holding that information) | (3) |
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CITY OF WOLVERHAMPTON COUNCIL	Meeting of the Cabinet Minutes - 7 October 2020
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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
Cllr Stephen Simkins
Cllr Jacqueline Sweetman

Employees

Tim Johnson	Chief Executive
Mark Taylor	Deputy Chief Executive
Emma Bennett	Director of Children's Services
Ian Fegan	Director of Communications and External Relations
Charlotte Johns	Director of Strategy
Richard Lawrence	Director of Regeneration
Claire Nye	Director of Finance
David Pattison	Director of Governance
Laura Phillips	Head of Democratic and Support Services
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer
Michele Ross	Lead Planning Manager (Sub Regional Strategy)

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Apologies for absence
No apologies for absence were received for the meeting. |
| 2 | Declaration of interests
No declarations of interests were made. |

3 **Minutes of the previous meeting - 9 September 2020**

Resolved:

That the minutes of the previous meeting held on 9 September 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 **Wolverhampton Response to Government Planning Consultations**

The intention to make a key decision on the report 'Wolverhampton Response to Government Planning Consultations' at the meeting was not publicised in advance as required by the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The decision was urgent and could not be reasonably delayed for the following reasons:

'The report was required to approve the Council's response to a consultation issued without prior notice by the Government in August with a deadline of end of October. In order to submit the response by the required deadline the decision must be taken without waiting 28 days.'

in light of the above consent had been obtained for the key decision to be made at the meeting under the General Exception provisions.

Councillor Stephen Simkins presented the report on the Council's response to Government consultations on planning reforms. He highlighted some of the potential implications for Wolverhampton from the reforms and sought approval to the proposed principles for the Council's response to the consultations. In doing so he reported that Scrutiny Board had considered a report on the consultations on 29 September 2020. The Board's observations and recommendations to Cabinet on the proposed response had been circulated to Cabinet members for their consideration.

Cabinet members also expressed their concerns at the proposals in the planning reforms, highlighting the potential impact on local decision making and the role of the Planning Committee; that the proposals would be a developers charter and could see a return to sub-standard developments; the replacing of section 106 contributions and the Community Infrastructure Levy with a national levy without the flexibility to adapt to local viability and infrastructure requirements; and concerns for the green belt area around the City.

Resolved:

1. That the proposed principles for a City of Wolverhampton Council response to the current Government Planning Consultations set out in paragraphs 3.6, 3.8, 4.8, 4.12, 4.15, 4.19 and 4.21 of the report be approved.
2. That the feedback from Scrutiny Board on Wolverhampton Response to Government Planning Consultations be received and noted.

6 Funding Mechanisms for School Expansion Schemes

Councillor Dr Michael Hardacre presented the report seeking delegated authority to approve the details of legal agreements authorised for primary and secondary school expansion schemes. The agreements would include but not be limited to agreements for grants of funds and any ancillary agreements necessary for the expansions to progress. He reported that the proposal would make sure that the Council was getting schemes shovel ready for immediate attention within an overall co-ordinated plan.

Resolved:

1. That the Council enter into all legal agreements in relation to school expansions included in Secondary School Expansion Programme 2019-2020.
2. That the Council enter into all legal agreements in relation to schools included in Primary School Expansion Programme 2021 and 2022 and the Secondary School Expansion Programme 2021 and 2022.
3. That authority be delegated to the Cabinet Member for Education and Skills in consultation with the Director of Children's Services to approve the details of all agreements authorised under recommendations 1 and 2 above.
4. That it be noted that the Council entered into grant agreements necessary for the expansion of Our Lady and St Chad Catholic Academy and Aldersley High School.
5. That it be noted that these approvals are essential in order to progress the expansion schemes.

7 Appointment to Outside Bodies - St John Ambulance Ambassador

Councillor Ian Brookfield presented the report on the appointment of Councillor Linda Leach as a St John Ambulance Ambassador. He recalled that the Late Councillor Peter Bilson used to be a St John Ambulance Ambassador. He was really involved with the organisation and was well respected by them. Councillor Brookfield said that he was sure that the job Councillor Leach would do would be equally valued.

Resolved:

That the appointment of Councillor Linda Leach as a St John Ambulance Ambassador be approved.

8 Exclusion of press and public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item 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.

- 9 **Housing Managing Agents Acquisition Policy**
Councillor Jacqueline Sweetman presented the report on a proposed policy whereby recognised managing agents operating within Wolverhampton, currently the four Tenant Management Organisations and Wolverhampton Homes might acquire additional properties within their respective operating areas with the support of the Council.

Resolved:

1. That the Managing Agents Acquisition policy be approved.
2. That it be noted that the approval of the policy satisfies one of the audit recommendations of City of Wolverhampton Council's Tenant Management Organisations Audit Programme of 2018 which advised that acquisitions of properties on the open market should be clarified and formalised within a policy framework.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 November 2020
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Report title	Capital Programme 2020-2021 to 2024-2025 Quarter Two Review	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye Tel Email	Director of Finance 01902 550478 claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council	22 October 2020 18 November 2020

Recommendations for decision:

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 is recommended to:

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.

Recommendations for noting:

The Cabinet is asked to note:

1. There is one new project requiring internal resources included in this report, which is subject to a separate detailed project report also on this 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 will be reduced accordingly. The name of the project is:
 - Future High Street Fund

1.0 Purpose

- 1.1 To provide Cabinet with an update on the 2020-2021 financial performance of the General Revenue Account and HRA capital programmes whilst also providing a revised forecast for 2020-2021 to 2024-2025 as at quarter two 2020-2021.
- 1.2 To recommend revisions to the current approved capital programme covering the period 2020-2021 to 2024-2025.

2.0 Executive summary

- 2.1 The General Revenue Account and HRA capital programmes are underpinned by our Council Plan with significant focus on working together to be a city of opportunity; focused on the following strategic outcomes:
 - 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.
- 2.2 The capital programme includes significant investment programmes that endeavour to create an environment where new and existing business thrive, people can develop the skills they need to secure jobs and create neighbourhoods in which people are proud to live.
- 2.3 The capital programme reflects the priorities of the Strategic Asset Management Plan. Individual capital project delivery milestones and financial analysis is undertaken over the lifecycle of each project, by project managers in conjunction with Strategic Finance, and is updated in the Council's project management system. Regular project delivery updates are provided to Leadership teams and will also be provided to Project Assurance Group, enabling governance and challenge. In addition to this, a Capital Projects Member Reference Group provides enhanced project governance and challenge.
- 2.4 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Covid-19 has had an impact on development projects internationally, nationally and regionally and also on projects within the City. Given the unprecedented circumstances, there has understandably been delays on some capital schemes due to Covid-19. The Council is assessing the potential implications of Covid-19 on its wider capital programme in terms of delivery timescales and increases in costs. The capital programme makes a significant contribution to the shaping of the City and on the economy of the City and therefore will contribute to the Council's plans for Relighting Our City.
- 2.5 On 17 July 2020, in the absence of a Council meeting, the Leader of the Council, two cabinet members, and the Chair and Vice Chair of Scrutiny Board, on behalf of the Council under the special urgency provisions as detailed in the Council's Constitution

namely paragraphs 6.10 and 6.11 of article 6, approved a revised General Revenue Account capital programme totalling £282.7 million for the period 2020-2021 to 2024-2025. Since then, further reports submitted to Councillors have been approved to increase this amount by £5.8 million to £288.5 million. Of the £5.8 million increase, £2.3 million relates to decisions approved at the joint Cabinet and Cabinet (Resources) Panel meeting on 29 July 2020 whilst an increase of £3.5 million relates to the Transportation Capital programme. This additional budget of £5.8 million is fully funded through external resources.

- 2.6 In addition to this, reallocation of resources from the Corporate Contingency to various projects totalling £8.2 million have been approved through Individual Executive Decision Notices, these are summarised at Appendix 2. Also, due to new external grant award of £999,000 for the Arthur Street Bridge, the borrowing previously set aside for this project was reallocated back to the Corporate Contingency.
- 2.7 At the end of quarter two of the 2020-2021 financial year, expenditure to date for General Fund Revenue Account existing projects totals £29.3 million compared to the projected budget of £94.5 million.
- 2.8 This report considers specific changes to budgets. A full list of the proposed capital programme can be found in Appendix 1 to the report.
- 2.9 Table 1 shows the approved General Revenue Account capital programme budget compared with that proposed, along with the resources identified to finance the proposed change.

Table 1: Summary of the General Revenue Account capital programme

General Revenue Account capital programme	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	Total
	£000	£000	£000	£000	£000	£000
Budget						
Approved	189,351	65,847	15,474	12,800	5,000	288,472
Variations						
New projects	1,020	5,852	271	-	-	7,143
Existing projects	(95,902)	84,080	15,777	43	277	4,275
	(94,882)	89,932	16,048	43	277	11,418
Projected	94,469	155,779	31,522	12,843	5,277	299,890
Financing						
Approved						
Internal resources	134,081	51,609	15,474	12,800	5,000	218,964
External resources	55,270	14,238	-	-	-	69,508
	189,351	65,847	15,474	12,800	5,000	288,472
Variations						
Internal resources	(72,645)	45,826	14,048	31	-	(12,740)
External resources	(22,237)	44,106	2,000	12	277	24,158
	(94,882)	89,932	16,048	43	277	11,418
Projected						
Internal resources	61,436	97,435	29,522	12,831	5,000	206,224
External resources	33,033	58,344	2,000	12	277	93,666
Projected	94,469	155,779	31,522	12,843	5,277	299,890

- 2.10 This report recommends variations to the approved capital programme totalling an increase of £11.4 million, which brings the total revised programme to £299.9 million.
- 2.11 Details of the all projects that have contributed to the overall increase of £11.4 million in the General Revenue Account capital programme can be found in Appendices 1 and 2 to the report, however, the key projects that have contributed to the increase in the programme are as follows;
- An increase totalling of £9.3 million is proposed for the Schools Expansion Programmes as a result of a new grant allocation in 2021-2022;
 - Further increases totalling £605,000 relating to the Education capital programme to reflect grant award for the Schools Capital Maintenance Programme in 2020-2021;
 - In addition to this, there is an increase of £615,000 relating to the Highway Improvements and Active Travel capital programme within Transportation funded by new grant allocation;
 - An increase of £473,000 relating to the Interchange Phase 2 Train Station project reflects a grant funding secured for the design and construction of the cycle hub at new station;
 - Finally, an increase of £210,000 for the Parks Strategy and Open Spaces Capital Programme reflects projected improvements to the open spaces at Prouds Lane (£122,000), Wednesfield Link (£72,000) and Smestow Valley Local Nature Reserve (£16,000), fully funded from the developers S106 contributions.
- 2.12 Additional grant funding of £18.8 million on the Schools Expansion Programme has provided the growth as detailed above and also enabled a switch in funding and reduced the borrowing requirements for this programme by £9.5 million.
- 2.13 On 17 July 2020, in the absence of a Council meeting, the Leader of the Council, two cabinet members, and the Chair and Vice Chair of Scrutiny Board, on behalf of the Council under the special urgency provisions as detailed in the Council's Constitution namely paragraphs 6.10 and 6.11 of article 6, approved a revised HRA capital programme totalling £403.9 million for the period 2020-2021 to 2024-2025.
- 2.14 Of the approved £403.9 million HRA budget, £72.2 million relates to the 2020-2021 financial year. To reflect a most up to date forecast for the HRA projects available at the time of writing this report, re-profiling of the programme is being proposed resulting in the re-phasing of £32.9 million from existing projects for the creation of new projects for the period 2020-2021 to 2023-2024. This change has no impact on the overall approved capital budget for HRA. Expenditure to the end of quarter two 2020-2021 for existing projects totals £12.3 million compared to the projected budget of £56.7 million.
- 2.15 Table 2 shows the approved HRA capital programme budget for 2020-2021 to 2024-2025 with that proposed, along with the resources identified to finance the proposed changes.

Table 2: Summary of the HRA capital programme

Housing Revenue Account capital programme	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	Total
	£000	£000	£000	£000	£000	£000
Budget						
Approved	72,194	85,422	85,540	83,890	76,831	403,877
Variations						
New projects	1,350	11,500	14,000	6,000	-	32,850
Existing projects	(16,802)	(6,217)	(15,550)	469	5,250	(32,850)
	(15,452)	5,283	(1,550)	6,469	5,250	-
Projected	56,742	90,705	83,990	90,359	82,081	403,877
Financing						
Approved						
Internal resources	71,810	85,422	85,540	83,890	76,831	403,493
External resources	384	-	-	-	-	384
	72,194	85,422	85,540	83,890	76,831	403,877
Variations						
Internal resources	(15,652)	5,283	(1,550)	6,469	5,250	(200)
External resources	200	-	-	-	-	200
	(15,452)	5,283	(1,550)	6,469	5,250	-
Projected						
Internal resources	56,158	90,705	83,990	90,359	82,081	403,293
External resources	584	-	-	-	-	584
Projected	56,742	90,705	83,990	90,359	82,081	403,877

3.0 Existing projects

- 3.1 The changes proposed for existing projects within the General Revenue Account capital programme total a net increase of £4.3 million. A more detailed listing of the individual projects can be found in Appendices 1 and 2 to the report.
- 3.2 Proposed budget virements between existing projects within the General Revenue Account capital programme total £2.7 million, further details are provided in Appendix 4 to the report.
- 3.3 The following paragraphs provide commentary on the significant changes to budgets and an update on key projects.
- 3.4 The main contract for Civic Halls was signed with Willmott Dixon on the 28 July 2020 with overall progress on the project currently in line with the agreed construction programme. The structural steel is now being delivered to site and installation has commenced in the Civic Halls. Works will now begin on the main roof to the Civic Hall. COVID-19 measures are in place and constantly being monitored.
- 3.5 Following completion of Phase 1 of the Interchange Train station project in March 2020, the station continues to remain fully operational with Phase 2 of the redevelopment currently due for completion by quarter one 2021-2022, there are no foreseeable delays to achieving this date.

- 3.6 Planning consent was granted for the City Learning Quarter City Campus in late 2019 and the Council assumed project management responsibility for the new Technical Centre project at Wellington Road, Bilston as part of the overall programme management.

In spring 2020, funding was made available for detailed site investigation and design at Wellington Road which is now underway. A funding application was submitted to the Black Country Local Economic Partnership (BCLEP) in June 2019 with a decision pending and further match funding has been sought as part of the Towns Fund bid application in July 2020 to Central Government amounting to £10.0 million.

- 3.7 In relation to the Westside project, the developer Urban & Civic and Odeon (as anchor tenant) are continuing to develop the design and associated costings, incorporating complementary uses as a requirement for the delivery of the scheme.

- 3.8 The construction of the first phase of the i54 Western Extension was completed in March 2020 ahead of programme. Platform preparation, services infrastructure and landscaping commenced in April 2020 and the fully serviced development plots are programmed to be completed during Summer 2021.

The project partners continue to receive high levels of interest from developers and operators which are considered in line with the pre-qualification requirement for occupier (employment / job creation activities).

- 3.9 i9 is on target for summer 2021-2022 completion, with construction activities progressing at pace with the topping out of the building scheduled for November 2020. The marketing campaign was officially launched as part of the Business week activities and has resulted in additional enquiries with a high level of recorded interest to date as part of pre-let engagement activity.

- 3.10 The Secondary School Expansion Programme is progressing well. The schemes at Aldersley High School and Our Lady and St Chad Catholic Academy are fully operational. Work on both schemes was impacted by the coronavirus lockdown but easing measures since 1 June 2020 have led to contractors being back on site (with appropriate measures in place).

- 3.11 Approval is also sought to 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 they may be progressed in a timely manner.

- 3.12 Covid-19 has had an impact on the HRA capital programme for 2020-2021 due to work stopping on site during late March. Work programmes began to restart in May with all projects having resumed over the summer months. New ways of socially distanced safe working have had to be established which has impacted on the pace of delivery. Therefore £16.0 million of budget has needed to be rephased across future years,

including £8.0 million of programmes under Decent Homes Stock Condition, £1.2 million of Fire Safety works and £5.9 million of new build expenditure. The reprogramming of these budgets also requires virements from Sustainable Estates (£600,000) and Non Traditional surveys (£440,000) to fund an increase to the budget for Refurbishment of Voids.

- 3.13 Additional budget provision is proposed for the New Build Programme at Heath Town, to increase the budget over three planned phases of development to £32.5 million. The development will take place over four years and will be funded via virements from approved budgets set aside for new build development but not yet allocated to specific projects. A further virement of £262,000 will increase the budget for the New Build Small Sites 5 budget to £5.3 million.
- 3.14 At a joint meeting of Cabinet and Cabinet (Resources) Panel, it was approved that Cabinet recommend that Council approve that Wolverhampton Homes are authorised to purchase properties from WV Living for the purpose of market rental. The report also approved that the Council would provide a loan facility to Wolverhampton Homes to facilitate the purchase of the properties, delegating authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve the final terms of the loan. Wolverhampton Homes have not yet required to call upon this loan facility in order to facilitate the purchase at this time but may require to execute it at a later date. This report seeks approval to continue to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve the final terms of the loan should it be required in the future.

4.0 Black Country Enterprise Zone

- 4.1 The Black Country Enterprise Zone ('BCEZ') comprises two separately submitted Enterprise Zones to the Communities and Local Government Unit (CLGU): Wolverhampton and Walsall Enterprise Zone ('WWEZ'), which commenced on 1 April 2013 and ends on 31 March 2038; and the Dudley ('DY5') Enterprise Zone which commenced on 1 April 2017 and ends on 31 March 2042. Collectively the two zones are the Black Country Enterprise Zone ("BCEZ").
- 4.2 Wolverhampton Council, along with the three other Black Country Local Authorities are all parties to The Collaboration Agreement which was approved by the Black Country Joint Committee on 7 May 2014 this sets out the governance and operational arrangements for the City Deal and Growth Deal funding programmes, including the collaboration, governance, project approval, management and audit, and claw back arrangements. The agreement has been further updated in September 2016 to widened the scope of the Black Country Joint Committee (BCJC) to include decisions in relation to funding received from the West Midlands Combined Authority (WMCA) and again in February 2020 to include all funds secured by the BCLEP, including Growing Places and Enterprise Zone funding, together with any future funding or funding programmes

approved, such as the Shared Prosperity Fund. Walsall Council act as the Single Accountable Body on behalf of the Black Country LEP.

- 4.3 This Supplemental agreement formalises proposals to bring the governance of the Black Country Enterprise Zones (BCEZ), in line with the Black Country's Single Assurance Framework. This means that any funding awards within the BCEZ must follow the same process for all other LEP funds, including approvals at the BCLEP and its Funding Sub Group, and the BCJC.
- 4.4 It should be noted that the BCEZ programme is unique due to the nature of the funding mechanism (i.e. borrowing to fund capital works which is recovered from future business rates) so further consideration was required for the claims, monitoring and borrowing policies. A paper (BCEZ Governance Principles – Appendix 6 to the report) setting out the BCEZ specific policies and principles has been prepared in consultation with all parties to the Collaboration Agreement. This sets out the principles and framework for managing and monitoring the BCEZ programme, including:
- the process for the collection, distribution and monitoring of the business rates and business rates surpluses;
 - Collaborative working between the BC Councils, including joint working on the Financial Model and roles and responsibilities;
 - Prioritisation of costs to be funded from business rates;
 - Principles of borrowing and payback.
- 4.5 The prioritisation of costs to be funded from business includes borrowing costs associated with capital schemes, and revenue costs. Revenue costs include programme management costs, BC Councils historic and future revenue costs for developing the BCEZ and Black Country Transport Director costs. The funds available to repay borrowing costs and revenue costs as detailed are forecast and monitored through a single consolidated Financial Model for the BCEZ, the model is updated by the four authorities and consolidated and reported by Walsall Council in their role as the Single Accountable Body.
- 4.6 It is recommended therefore that Cabinet approves Wolverhampton Council's entry into the Supplemental Deed of Variation Relating to the Collaboration Agreement (Appendix 5 to the report) in relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014, and in doing so, approves the Governance Principles: Enterprise Zones (Appendix 6 to the report).
- 4.7 Further to the above, approval is sought to 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.

5.0 New projects and virements

5.1 Table 3 provides a summary of new projects requiring approval, covering the period 2020-2021 to 2024-2025, and identifying where additional funding is required and where the new expenditure can be met from existing resources. A detailed analysis of the individual projects included in this table can be found in Appendix 3 to the report.

Table 3: Summary of new projects requiring approval

Directorate	Forecast outturn £000	2020-2021 to 2024-2025		Virements from existing projects £000
		Additional internal resources required £000	Additional external resources required £000	
General Revenue Account	7,143	10	825	6,308
Housing Revenue Account	32,850	-	-	32,850
Total	39,993	10	825	39,158

- 5.2 The new projects requiring approval are funded from a mixture of internal (£10,000) and external resources (£825,000) and virements totalling £39.2 million. A list of the virements can be found in Appendix 4 to the report.
- 5.3 Of the overall increase of £835,000 for the General Revenue Account capital programme, an increase of £615,000 relates to the Transportation capital programme. Approval is sought for three new projects within the Highway Improvements and Active Travel capital programme to reflect additional grant allocations.
- 5.4 An increase totalling £210,000 reflects three new projects proposed within the Parks Strategy and Open Spaces Capital Programme fully funded from the developers S106 contribution. In addition, an increase of £10,000 is due to the Penn Hall Special school contribution towards a new Schools Capital Maintenance project.
- 5.5 New projects created through virements from existing projects within the General Revenue Account and HRA capital programmes can be found in Appendix 4 to the report with the main items discussed below;
- 5.6 A virement of £5.0 million is proposed within the General Revenue Account capital programme to reallocate resources to a new Future High Street Fund project to provide the required match funding for the projects included in the Future High Street fund bid. A virement totalling £782,000 is required to support a new project Migrate Care First to Eclipse Adults and Finance Module within the Service Led ICT Capital Programme. This will support the development of Eclipse for Adults social care and the Eclipse finance module for both, Children and Adults services. In addition to this, virements totalling £295,000 are proposed for the following annual rolling ICT projects. Approval is sought to allocate resources in 2021-2022 to Desk top Refresh (£245,000) and to IT Service Management (£50,000) projects. Finally, £141,000 of virements from existing projects are requested within the Schools Capital Maintenance whilst a virement of £90,000 is required for the Emergency Fire Safety Improvements.

5.7 Virements totalling £32.9 million are required within the HRA capital programme. Approval is sought to reallocate £32.5 million of resources to individual Heath Town New Build projects (Phases 1 to 3) for the housing development. A virement of £250,000 is required for the urgent refurbishment works at Jericho House whilst virement of £100,000 is proposed for the surveyor and design works at New Park Village.

6.0 Medium term capital programme financing

6.1 Table 4 details the approved financing for the capital programme for 2020-2021 to 2024-2025 and incorporates the requested approvals for projects included in this report.

Table 4: Approved and forecast capital financing 2020-2021 to 2024-2025

2020-2021 to 2024-2025				
General Revenue Account capital programme	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	288,472	299,890	11,418	
Financing				
Internal resources				
Capital receipts	94,721	91,970	(2,751)	30.7%
Prudential borrowing	123,435	113,433	(10,002)	37.8%
Revenue contributions	808	821	13	0.3%
Reserves	-	-	-	0.0%
Subtotal	218,964	206,224	(12,740)	68.8%
External resources				
Grants & contributions	69,508	93,666	24,158	31.2%
Subtotal	69,508	93,666	24,158	31.2%
Total	288,472	299,890	11,418	100.0%

2020-2021 to 2024-2025				
Housing Revenue Account capital programme	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	403,877	403,877	-	
Financing				
Internal resources				
Capital receipts	28,778	29,252	474	7.2%
Prudential borrowing	263,005	262,331	(674)	65.1%
Revenue contributions	18,322	18,322	-	4.5%
Reserves	93,388	93,388	-	23.1%
Subtotal	403,493	403,293	(200)	99.9%
External resources				
Grants & contributions	384	584	200	0.1%
Subtotal	384	584	200	0.1%
Total	403,877	403,877	-	100.0%

- 6.2 Capital receipts totalling £92.0 million have been assumed within the General Revenue Account capital programme over the medium term period 2020-2021 to 2024-2025 and can be seen in Table 5. This is a net reduction of £2.8 million when compared to the approved budget, which has arisen due to decreased forecast from the sale of assets and re-phasing of receipts and capital requirements.
- 6.3 In order to be prudent, a detailed review of the schedule of asset disposals is undertaken to identify only those that are likely to be completed. The planned utilisation of capital receipts will reflect the need to balance the benefit for both the capital programme and the revenue budget and will form part of the ongoing Medium Term Financial Strategy.

Whilst the forecast of capital receipts is deemed prudent at this stage, it will continue to be monitored closely throughout the financial year in light of the impact of the Covid-19 pandemic. In the event that capital receipts assumptions change, updates will be provided in future reports to Councillors.

Table 5: Receipts assumed in the revised General Revenue Account capital programme

General Revenue Account	Projected					Total £000
	2020 - 2021 £000	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	
Capital programme receipts	28,300	18,800	24,900	10,000	10,000	92,000

- 6.4 It is the Council's strategy to use capital receipts to reduce the Council's need to borrow to fund the approved capital programme. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any proposals to increase the level of the capital programme are considered in accordance with the Capital Strategy.

7.0 Key budget risks

- 7.1 An analysis of the risks associated with the capital programme, along with the details of the risk control measures that are in place in order to manage and mitigate these risks as far as possible can be viewed online on the Council's website by following the link below:

[Capital Programme | City Of Wolverhampton Council](#)

- 7.2 The overall risk associated with the programme continuous to be quantified as amber.

8.0 Evaluation of alternative options

- 8.1 This report provides an update on progress of capital projects during 2020-2021 and anticipated budget requirement for future year. The evaluation of alternative project options is detailed in individual investment proposals.

9.0 Reasons for decisions

- 9.1 To seek Cabinet's recommendation to Council to approve the revised capital budgets. This will ensure that the capital programme budget reflects the latest forecasts and requirements.

10.0 Financial implications

- 10.1 The financial implications are discussed in the body of this report. The revenue implications of the new and existing projects seeking approval for additional or changes in resources for the General Fund Revenue Account are fully reflected in the treasury management budget forecasts included in the report 'Treasury Management Activity Monitoring – Mid Year Review 2020-2021' also on the agenda for approval at this meeting.

[RJ/21102020/N]

11.0 Legal implications

- 11.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
- 11.2 The Local Government Act 1972 brought in the current regime for capital finance for local authorities. It reduced the level of central control over local authority borrowing and capital expenditure.
- 11.3 Each project mentioned in this report will have its own specific legal implications, raised and tailored in their respective reports.

[TS/26102020/W]

12.0 Equalities implications

- 12.1 There is a range of individual projects delivered through the Council's capital programme that have significant impacts on specific groups and equality implications should be considered when individual capital projects are being developed.
- 12.2 This requirement would also apply if there were to be any redirection of capital funding in year to ensure that the impact of any changes is considered.

13.0 Climate change and environmental implications

- 13.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.

14.0 Human resources implications

- 14.1 There are no human resources implications arising from this report.

15.0 Corporate landlord implications

- 15.1 Projects funded and delivered through the Council's capital programme typically have significant impact on the Council's property portfolio. Corporate landlord implications must be considered and included in relevant documents and reports when individual capital projects and programmes are being developed.

16.0 Health and Wellbeing Implications

- 16.1 There is a range of individual projects delivered through the Council's capital programme which could have health and wellbeing implications, these should be considered when individual capital projects are being developed.

17.0 Covid Implications

- 17.1 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Covid-19 has had an impact on development projects internationally, nationally and regionally and also on projects within the City.

Specific references are made where appropriate throughout the report.

18.0 Schedule of background papers

- 18.1 Special Urgency Decision, 17 July 2020 – [Capital Outturn and Treasury Management Annual Report 2019-2020 and Monitoring Quarter One 2020-2021](#)
- 18.2 Individual Executive Decision Notice, 25 February 2020, exempt – Art Gallery Improvement
- 18.3 Joint Cabinet and Cabinet (Resources) Panel, 29 July 2020 – [Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024](#)
- 18.4 Joint Cabinet and Cabinet (Resources) Panel, 29 July 2020, exempt – [Priority Capital Works for Schools](#)
- 18.5 Individual Executive Decision Notice, 4 August 2020, exempt – [Corporate Asset Management Fund – Approval of Projects 2020/21](#)
- 18.6 Individual Executive Decision Notice, 7 August 2020, exempt – Commercial Waste Bins Capital Request
- 18.7 Individual Executive Decision Notice, 24 August 2020, exempt – [Traveller Transit Site](#)
- 18.8 Individual Executive Decision Notice, 9 September 2020, exempt – [Bob Jones Community Centre Roof Replacement](#)
- 18.9 Individual Executive Decision Notice, 2 October 2020 – Highway Maintenance Programme 2020-21

- 18.10 Individual Executive Decision Notice, 7 October 2020, exempt – Residential Waste Bins Capital Request
- 18.11 Individual Executive Decision Notice, 12 October 2020, exempt – [Corporate Asset Management Fund – Approval of Projects 2020/21](#)
- 18.12 Individual Executive Decision Notice, 15 October 2020 - [Town Fund Capital Grant](#)

19.0 Appendices

- 19.1 Appendix 1 – Detailed projected budget
- 19.2 Appendix 2 – Detailed forecast change
- 19.3 Appendix 3 – Projects requiring approval
- 19.4 Appendix 4 – Virements for approval
- 19.5 Appendix 5 – Supplemental Deed of Variation
- 19.6 Appendix 6 - Governance Principles Enterprise Zones

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Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total	Internal resources	External resources
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025			
		£000	£000	£000	£000	£000	£000	£000	£000
General Revenue Account capital programme									
City Assets and Housing	Disabled Facilities Grants	215	2,000	-	-	-	2,215	-	(2,215)
	Mandatory Disabled Facilities Grants	700	580	-	-	-	1,280	-	(1,280)
	Small Adaptations Grants	600	250	-	-	-	850	-	(850)
	Stair Lift Maintenance	15	-	-	-	-	15	-	(15)
	Care & Repair Fees re: DFG's	50	-	-	-	-	50	-	(50)
	Social Care Minor Adaptations	150	-	-	-	-	150	-	(150)
	Discretionary Bathrooms Adaptations Grant	450	-	-	-	-	450	-	(450)
	Rehabilitation Equipment 2020-2021	200	-	-	-	-	200	-	(200)
	Housing General Fund General Schemes - Small Works Assistance (SWA)	215	-	-	-	-	215	(215)	-
	Small Works Assistance	260	-	-	-	-	260	(260)	-
	Housing General Fund General Schemes - Capitalised Salaries	-	-	-	-	-	-	-	-
	Capitalised Salaries	101	-	-	-	-	101	(101)	-
	Housing General Fund General Schemes - Empty Properties Strategy	141	-	-	-	-	141	(141)	-
	19 Chester Street	9	-	-	-	-	9	(9)	-
	29 Lime Street, Penfields	13	-	-	-	-	13	(13)	-
	Two and a half Clifford Street	80	-	-	-	-	80	(80)	-
	Emergency Fire Safety Improvements	90	-	-	-	-	90	(90)	-
	Corporate Asset Management	-	-	-	-	-	-	-	-
	Rooker Avenue Changing Rooms - demolition	2	-	-	-	-	2	(2)	-
	Wolverhampton Art Gallery - external renovation	27	-	-	-	-	27	(27)	-
	Bilston Town Hall – internal/external renovation	10	-	-	-	-	10	(10)	-
	Dovecotes - replacement of brickwork and repointing	52	-	-	-	-	52	(52)	-
	Blakenhall Community Healthy Living Centre – roof works	657	-	-	-	-	657	(657)	-
	Grand Theatre – lift control system	22	-	-	-	-	22	(22)	-
	Wednesfield Park (Ground Workers Hub) – electrical works	22	-	-	-	-	22	(22)	-
	Fordhouses Industrial Estate – security hut refurbishment	10	-	-	-	-	10	(10)	-
	East Park Lodge – external redecoration	4	-	-	-	-	4	(4)	-
	Bilston Town Hall - FRA priority works	10	-	-	-	-	10	(10)	-
	Bradley Resource Centre - FRA priority works	30	-	-	-	-	30	(30)	-
	Central Baths - FRA priority works	15	-	-	-	-	15	(15)	-
	Civic Centre - FRA priority works	9	-	-	-	-	9	(9)	-
	Claregate Youth Centre – FRA / electrical compliance works	24	-	-	-	-	24	(24)	-
	Duke St Bungalows - FRA priority works	22	-	-	-	-	22	(22)	-
	Dunstall Community Centre - FRA priority works	4	-	-	-	-	4	(4)	-
	East Park (Changing Rooms) – Legionella works	2	-	-	-	-	2	(2)	-
	Gatis St Playground – internal compliance works	21	-	-	-	-	21	(21)	-
	Graiseley Strengthening Family Hub - FRA priority works	13	-	-	-	-	13	(13)	-
	Haymarkets – internal / external renovation works	54	-	-	-	-	54	(54)	-
	Lime Kiln Wharf – clearance of site & demolitions	13	-	-	-	-	13	(13)	-
	Loxdale Industrial Estate (1-5) – roof works	10	-	-	-	-	10	(10)	-
	Low Hill Community Centre - FRA priority works	8	-	-	-	-	8	(8)	-
	Maltings - FRA priority works	5	-	-	-	-	5	(5)	-
	Makers Dozen – roofing works	22	-	-	-	-	22	(22)	-
	Merridale House - FRA priority works	66	-	-	-	-	66	(66)	-
	The Gorge - demolition of building	9	-	-	-	-	9	(9)	-
	West Park (Kingsland Lodge) - FRA priority works	9	-	-	-	-	9	(9)	-
	Wolverhampton Art Gallery - FRA priority works	14	-	-	-	-	14	(14)	-
	Wolverhampton Contact Centre - FRA priority works	2	-	-	-	-	2	(2)	-
	Merridale Fire Station - YOT relocation	224	-	-	-	-	224	(224)	-
	Bantock House - hot water boiler	2	-	-	-	-	2	(2)	-
	76 Worcester Street - building fabric works	3	-	-	-	-	3	(3)	-
	Molineux Hotel - Archives - FRA priority works	8	-	-	-	-	8	(8)	-
	Bantock House - FRA priority works	3	-	-	-	-	3	(3)	-
	Bert Williams - FRA priority works	2	-	-	-	-	2	(2)	-
	Ernest Bold Resource Centre - FRA priority works	1	-	-	-	-	1	(1)	-
	Whitmore Reans SFH - FRA priority works	7	-	-	-	-	7	(7)	-
	Whitmore Reans Library - FRA priority works	3	-	-	-	-	3	(3)	-
	Old Heath Housing Office - kitchen refurb/house project	2	-	-	-	-	2	(2)	-
	Shaw Road Household Waste and Recycling Centre - concrete substrate works	60	-	-	-	-	60	(60)	-
	Grand Theatre – FRA works to Orchestra Pit	5	-	-	-	-	5	(5)	-
	East Park Lodge - roof replacement	1	-	-	-	-	1	(1)	-
	Grand Theatre - FRA priority works	225	-	-	-	-	225	(225)	-
	Fowlers Park - new hot water and heating system	36	-	-	-	-	36	(36)	-
	Lunt Community Centre - new hot water and heating system	25	-	-	-	-	25	(25)	-
	Civic Centre - recommission of the heating ventilation controls	36	-	-	-	-	36	(36)	-
	Northcote Farm - handwash and legionella control works	19	-	-	-	-	19	(19)	-
	Wolverhampton Contacts Centre – new emergency lights	45	-	-	-	-	45	(45)	-
	Mortuary at Alfred Squire Road - roof replacement	70	-	-	-	-	70	(70)	-
	Bushbury Crematorium - refurbishment of welfare facilities	12	-	-	-	-	12	(12)	-
	St Chads Community Centre - installation of new cabling and of circuit protection	10	-	-	-	-	10	(10)	-
	Slade Rooms - installation of new cabling and of circuit protection	6	-	-	-	-	6	(6)	-
	The Maltings - installation of new cabling and of circuit protection	7	-	-	-	-	7	(7)	-

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total £000	Internal resources £000	External resources £000
		2020- 2021 £000	2021- 2022 £000	2022- 2023 £000	2023- 2024 £000	2024- 2025 £000			
General Revenue Account capital programme									
City Assets and Housing	West Park (Feeder Pillars) - installation of new cabling and of circuit protection	5	-	-	-	-	5	(5)	-
	Bantock House – CCTV installation	24	-	-	-	-	24	(24)	-
	Bingley Enterprise Centre - replace roof and insulate and replace 11 windows	65	-	-	-	-	65	(65)	-
	Hartshorn Street / Smith Street - relaying of damaged freestanding wall	10	-	-	-	-	10	(10)	-
	Central Baths – FRA priority works	23	-	-	-	-	23	(23)	-
	Culwell Street – electrical / Legionella works (Phase 1)	115	-	-	-	-	115	(115)	-
	East Park Library – roof replacement	20	-	-	-	-	20	(20)	-
	Hickman Avenue Depot – electrical works / emergency lighting	150	-	-	-	-	150	(150)	-
	Land to rear of the Lodge (Dunstall Lane) - clearance of site and erection of security fence	18	-	-	-	-	18	(18)	-
	Newhampton Centre For Arts - FRA / mechanical and engineering / building fabric / electrical / Legionella	50	-	-	-	-	50	(50)	-
	Old Heath Housing Office – internal lighting works	15	-	-	-	-	15	(15)	-
	Portobello Community Centre - boiler replacement	19	-	-	-	-	19	(19)	-
	Shops at the Haymarket - refurbishment scheme - Phase 2	50	-	-	-	-	50	(50)	-
	Tettenhall Library – roof works	50	-	-	-	-	50	(50)	-
	The Gorge - demolition of remaining asset	150	-	-	-	-	150	(150)	-
	West Park - electrical / Legionella / building Fabric	240	-	-	-	-	240	(240)	-
	Whitmore Reans Children's Centre (SFH) - main entrance door replacement, intercom system, remove and replace rotten fencing posts	15	-	-	-	-	15	(15)	-
	Wolverhampton Art Gallery (Lichfield Rd) – cracked steps to be made safe	6	-	-	-	-	6	(6)	-
	Wolverhampton Art Gallery – electrical works	5	-	-	-	-	5	(5)	-
	Bantock House – Lightning protection	20	-	-	-	-	20	(20)	-
	Braybrook Centre – Installation of new weatherboarding to existing tiles on roof	10	-	-	-	-	10	(10)	-
	Civic Centre – Refurbishment of male/female disabled toilets on Ground Floor	65	-	-	-	-	65	(65)	-
	Newhampton Arts Centre – Replacement flues to boilers	8	-	-	-	-	8	(8)	-
	Pendeford Library – Fire Alarm System	10	-	-	-	-	10	(10)	-
	Warstones Children's Centre – New flooring replacement	21	-	-	-	-	21	(21)	-
	Bilston Market - new roller shutters	12	-	-	-	-	12	(12)	-
	Bilston Market (Toilets) - new rainwater goods and reconfiguration of the same	6	-	-	-	-	6	(6)	-
	Birch Street Car Park - FRA Works	6	-	-	-	-	6	(6)	-
	Bradmore Community Centre - replacement of boilers and mechanical plant	51	-	-	-	-	51	(51)	-
	Brickkiln Community Centre - FRA works	8	-	-	-	-	8	(8)	-
	Culwell Street depot - new gas main and duct	120	-	-	-	-	120	(120)	-
	Fordhouse Road Ind. Estate - roof replacement	100	900	-	-	-	1,000	(1,000)	-
	Long Knowle Community Hub - replacement flue and ventilation system installation	8	-	-	-	-	8	(8)	-
	Wolverhampton United Football Club - demolition of Clubhouse	140	-	-	-	-	140	(140)	-
	Energy Efficiency Measures	569	-	-	-	-	569	(569)	-
	Housing General Schemes - Affordable Warmth	-	-	-	-	-	-	-	-
	Affordable Warmth	324	-	-	-	-	324	(224)	(100)
	Disposals Programme (Non-Strategic)	37	-	-	-	-	37	(37)	-
	Bilston Community Centre - demolition	69	-	-	-	-	69	(69)	-
	Remedial Works	-	-	-	-	-	-	-	-
	The King's Church of England School remedial works	17	-	-	-	-	17	(17)	-
Finance	Corporate Contingency	-	13,967	5,203	2,800	-	21,970	(21,970)	-
	Capitalisation Directives	-	-	-	-	-	-	-	-
	Transformation Development Efficiency Strategy - Transformational projects capitalisation 2021	5,000	-	-	-	-	5,000	(5,000)	-
	Transformation Development Efficiency Strategy - Transformational projects capitalisation 2122	-	5,000	-	-	-	5,000	(5,000)	-
	WV Living - Loans	8,300	10,000	10,000	10,000	5,000	43,300	(43,300)	-
Land and Property Investment Fund	Land and Property Investment Fund	-	-	-	-	-	-	-	-
	Dudley Brownfield	125	-	-	-	-	125	-	(125)
Regeneration	i54 Access and Infrastructure	-	-	-	-	277	277	-	(277)
	i54 Access and Infrastructure - I54 - Contingency / General Costs - WCC	69	28	48	43	-	188	(176)	(12)
	Targeted Disposals Programme	-	-	-	-	-	-	-	-
	Disposal of Heath Town Baths	3	-	-	-	-	3	(3)	-
	Targeted Disposals - Hoardings	20	16	-	-	-	36	(36)	-
	South Side	-	-	-	-	-	-	-	-
	Burdett House Demolition	-	315	-	-	-	315	(315)	-
	i9 Office Development	-	13,000	-	-	-	13,000	(13,000)	-
	Wolverhampton Interchange Block 11 - Acquisition	-	57	-	-	-	57	(57)	-

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total	Internal resources	External resources
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025			
		£000	£000	£000	£000	£000			
General Revenue Account capital programme									
Regeneration	Bilston Urban Village	1,688	1,070	-	-	-	2,758	(2,733)	(25)
	Civic Halls Improvements	9,500	21,158	-	-	-	30,658	(30,658)	-
	Interchange - Ph2 Train Station/MSCP/Metro Extension	5,555	3,772	-	-	-	9,327	(8,405)	(922)
	Queen Street Gateway Townscape Heritage Project	-	329	-	-	-	329	(82)	(247)
	Queen Street Gateway Townscape Heritage Project - 25 Queen Street	87	-	-	-	-	87	(11)	(76)
	Queen Street Gateway Townscape Heritage Project - SHOP 28 Queen Street	81	-	-	-	-	81	(10)	(71)
	Queen Street Gateway Townscape Heritage Project - 44 Queen Street	87	-	-	-	-	87	(11)	(76)
	Queen Street Gateway Townscape Heritage Project - 45 Queen Street	7	-	-	-	-	7	(1)	(6)
	Queen Street Gateway Townscape Heritage Project - 48 Queen Street	1	-	-	-	-	1	(1)	-
	Queen Street Gateway Townscape Heritage Project - 49 Queen Street	8	-	-	-	-	8	(5)	(3)
	Queen Street Gateway Townscape Heritage Project - Project costs	5	-	-	-	-	5	(2)	(3)
	i54 Western Extension	9,910	8,732	6,000	-	-	24,642	(16,285)	(8,357)
	City Learning Quarter	3,337	30,000	10,000	-	-	43,337	(11,337)	(32,000)
	War Memorial Restoration	-	-	-	-	-	-	-	-
	Bilston War Memorial Restoration	-	9	-	-	-	9	-	(9)
	Pennfields War Memorial Restoration	-	10	-	-	-	10	-	(10)
	Development of Cultural Estate	-	-	-	-	-	-	-	-
	Development of Bantock House Complex	5	20	-	-	-	25	(25)	-
	Art Gallery Improvement Scheme	199	723	-	-	-	922	(598)	(324)
	Strategic Land Acquisitions	225	-	-	-	-	225	(225)	-
	Acquisition of British Steelworks - Land	1,867	-	-	-	-	1,867	(1,867)	-
	Acquisition of British Steelworks - Building	1,871	-	-	-	-	1,871	(1,871)	-
	AIM for GOLD - ERDF	886	410	-	-	-	1,296	-	(1,296)
	Future High Street Fund	-	5,000	-	-	-	5,000	(5,000)	-
Strategy	ICT General Programme	-	75	-	-	-	75	(75)	-
	Security Enhancement (ICT Main Prog) 2020-2021	30	40	-	-	-	70	(70)	-
	Storage Refresh (ICT Main Prog) 2020-2021	-	112	-	-	-	112	(112)	-
	Software Upgrades (ICT Main Prog) 2020-2021	90	-	-	-	-	90	(90)	-
	Infrastructure Upgrades (ICT Main Prog) 2020-2021	703	150	-	-	-	853	(853)	-
	Data Centres (ICT Main Prog) 2020-2021	55	-	-	-	-	55	(55)	-
	Future Developments 2020-2021	350	-	-	-	-	350	(350)	-
	IT Service Management 2020-2021	200	-	-	-	-	200	(200)	-
	Security Enhancement (ICT Main Prog) 2021-2022	-	80	-	-	-	80	(80)	-
	Software Upgrades (ICT Main Prog) 2021-2022	-	260	-	-	-	260	(260)	-
	Infrastructure Upgrades (ICT Main Prog) 2021-2022	-	770	-	-	-	770	(770)	-
	Data Centres (ICT Main Prog) 2021-2022	-	15	-	-	-	15	(15)	-
	Future Developments 2021-2022	-	400	-	-	-	400	(400)	-
	IT Service Management 2021-2022	-	50	-	-	-	50	(50)	-
	Disaster Recovery 2020-2021	140	-	-	-	-	140	(140)	-
	ICT Desktop Refresh	335	245	-	-	-	580	(580)	-
	Digital Transformation Programme Software	-	-	-	-	-	-	-	-
	DTP Phase 2 - Customer Platform	230	-	-	-	-	230	(230)	-
	Service Led ICT Projects	-	50	-	-	-	50	(50)	-
	Migrate Care First to Eclipse	222	-	-	-	-	222	(222)	-
	IDOX/GIS Cloud Migration	-	97	-	-	-	97	(97)	-
	Fleet management system	-	75	-	-	-	75	(75)	-
	Trade waste CRM	-	60	-	-	-	60	(60)	-
	Migrate Care First to Eclipse_Adults and Finance Module	164	347	271	-	-	782	(782)	-
	Full Fibre Network	5,072	-	-	-	-	5,072	(172)	(4,900)
Adult Services	Aiming High for Disabled Children	-	26	-	-	-	26	-	(26)
	Mander Centre Changing Places Toilet Facilities	26	-	-	-	-	26	-	(26)
Children's Services	Children's Transformation - Bingley	8	-	-	-	-	8	(8)	-
	Looked after Children - Extensions/Vehicles	5	-	-	-	-	5	(5)	-
City Environment	Maintenance of classified roads	171	1,000	-	-	-	1,171	(1,144)	(27)
	Transport Structural Maintenance - Street Lighting	350	-	-	-	-	350	(1)	(349)
	Response patching	201	-	-	-	-	201	-	(201)
	Specialist Surface Treatments	30	-	-	-	-	30	(30)	-
	Cannock Road - Phase II	250	-	-	-	-	250	-	(250)
	Replacement of non-compliant safety fencing Northcote Lane	30	-	-	-	-	30	-	(30)
	Hamble Road - resurface carriageways	102	-	-	-	-	102	(2)	(100)
	Development of the Highway Asset Management Plan and Strategy	42	-	-	-	-	42	-	(42)
	Bridgnorth Road - resurface carriageways	75	-	-	-	-	75	-	(75)
	Griffiths Drive - resurface carriageways	200	-	-	-	-	200	(200)	-
	Marston Road - resurface carriageways	100	-	-	-	-	100	(100)	-
	Bushbury Lane (Stafford Road to Shaw Lane) - resurface carriageways	169	-	-	-	-	169	(169)	-
	Fareham Crescent - resurface carriageways	125	-	-	-	-	125	-	(125)
	Cross Street North - resurface carriageways	87	-	-	-	-	87	(51)	(36)
	Raglan Street - Sainsburys S278 works	-	100	-	-	-	100	(100)	-
	Raglan Street - Sainsburys S278 works	-	-	-	-	-	-	-	-
	Raglan Street - Sainsburys S278 works	28	-	-	-	-	28	-	(28)

Division	Project	Projected budget						Total	Internal resources	External resources
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	£000			
		£000	£000	£000	£000	£000	£000			
General Revenue Account capital programme										
City Environment	Highway Improvement Programme	-	-	-	-	-	-	-	-	
	Integrated Transport - Advance Design	200	-	-	-	-	200	-	(200)	
	Integrated Transport - Junction Upgrades – Bham New Rd / Shaw Rd (LPPF)	100	-	-	-	-	100	-	(100)	
	UTC - Wireless Communications	65	-	-	-	-	65	-	(65)	
	Ring Road & City Centre Signage	286	-	-	-	-	286	-	(286)	
	Bus infrastructure improvements	30	-	-	-	-	30	-	(30)	
	UTC Expansion ITS/CCTV/Driver Information/ANPR	165	-	-	-	-	165	-	(165)	
	City East Gateway A454 - Japanese Knotweed	45	-	-	-	-	45	-	(45)	
	Lyndale Drive Culvert - Highways Improvement	40	-	-	-	-	40	(15)	(25)	
	Willenhall Road Culvert - Highways Improvement	40	-	-	-	-	40	(40)	-	
	UTC Expansion CCTV	150	-	-	-	-	150	-	(150)	
	Vehicles (Procurement)	1,843	4,105	-	-	-	5,948	(5,948)	-	
	Bowman's Harbour Repository - Tech Investigation	-	101	-	-	-	101	(101)	-	
	Wolverhampton Market drainage solution	11	-	-	-	-	11	(11)	-	
	Bilston Market - roof replacement	17	-	-	-	-	17	(17)	-	
	Parks Strategy and Open Space	-	-	-	-	-	-	-	-	
	Heath Town Park	59	-	-	-	-	59	-	(59)	
	Spring Road - (Taylor Road / Hilton PF)	-	34	-	-	-	34	(34)	-	
	Fowlers Park	80	6	-	-	-	86	-	(86)	
	Rakegate - play area (S106)	-	20	-	-	-	20	-	(20)	
	Land North East of 72 Church Street, Bilston	3	-	-	-	-	3	-	(3)	
	Tettenhall Paddling Pool	-	1	-	-	-	1	(1)	-	
	Ward Street Neighbourhood Park	750	28	-	-	-	778	-	(778)	
	Windsor Avenue - refurbishment of Play Area	25	-	-	-	-	25	-	(25)	
	Penk Rise - refurbishment of Open Space	32	10	-	-	-	42	-	(42)	
	Bantock Park Taxi Pick Up Point	-	175	-	-	-	175	(175)	-	
	Bushbury Recreation Ground - open space improvements	10	99	-	-	-	109	-	(109)	
	Kingsclere Walk - refurbishment of existing play area	5	50	-	-	-	55	-	(55)	
	Merridale Street - refurbishment of existing play area	80	-	-	-	-	80	-	(80)	
	Northwood Park - refurbishment of existing play area	-	116	-	-	-	116	-	(116)	
	Ashmore Park, Wednesfield - open space improvements	5	95	-	-	-	100	-	(100)	
	Ward Street railway cutting – gas main diversion works for new open space	150	-	-	-	-	150	-	(150)	
	Prouds Lane Open Space Improvements	-	122	-	-	-	122	-	(122)	
	Wednesfield Link Open Space Improvements	-	72	-	-	-	72	-	(72)	
	Smestow Valley Local Nature Reserve Open Space Improvements	-	16	-	-	-	16	-	(16)	
	Bereavement Services	-	-	-	-	-	-	-	-	
	Bereavement Services Improvement Programme at Bushbury Crematorium site (drainage, pavements)	-	54	-	-	-	54	(54)	-	
	Bushbury Crematorium	855	-	-	-	-	855	(855)	-	
	Safety Programme	115	-	-	-	-	115	(115)	-	
	Local Safety Schemes - TROs/ Signs&Guardrails / Road Markings	130	-	-	-	-	130	(30)	(100)	
	Vehicle actuated speed warning signs	40	-	-	-	-	40	-	(40)	
	Average Speed Cameras	2	-	-	-	-	2	(2)	-	
	Average Speed Cameras - Walsall, Sandwell and Dudley	466	-	-	-	-	466	-	(466)	
	Greenfield Lane - traffic calming and zebra crossing (ITB)	-	70	-	-	-	70	(70)	-	
	Lunt Road - traffic calming and zebra crossing (ITB)	-	80	-	-	-	80	(80)	-	
	Finchfield Lane (ITB)	44	-	-	-	-	44	-	(44)	
	Dunstall Road/Evans Street (ITB)	115	-	-	-	-	115	-	(115)	
	Bushbury Lane - crossing (ITB)	80	-	-	-	-	80	(5)	(75)	
	Arterial route – Stafford Road – areas at risk of accidents upgrade	120	-	-	-	-	120	(120)	-	
	Newhampton Road East & West - local safety improvement	30	-	-	-	-	30	(30)	-	
	Bradley Lane - traffic calming	100	50	-	-	-	150	(100)	-	
	Stafford Street - guardrail review	50	-	-	-	-	50	-	(50)	
	Active Travel Programme	-	-	-	-	-	-	-	-	
	Cycling - Cycle Route Improvements	13	-	-	-	-	13	-	(13)	
	Wednesfield Road - footway widening and introducing shared cycle route	-	39	-	-	-	39	-	(39)	
	Tunnel Lighting Scheme – towpath near interchange	30	-	-	-	-	30	-	(30)	
	Network Development - Safer Routes to School	-	-	-	-	-	-	-	-	
	School Gate Parking	12	-	-	-	-	12	(2)	(10)	
	Warstones Road/Warstones Primary - installation of new crossing	40	-	-	-	-	40	(40)	-	
	Accessing Growth Fund - Major Roads Network	-	-	-	-	-	-	-	-	
	A4123 - Birmingham New Road	3	-	-	-	-	3	-	(3)	
	City North Gateway Phase 1 - Stafford Road A449	-	-	-	-	-	-	69	(69)	
	Springfield Campus Connectivity Phase 2	-	-	-	-	-	-	(24)	24	
	City North (A449) and City East Gateway (A454) - Major Scheme Development	286	-	-	-	-	286	(197)	(89)	
	i54 Western Extension	-	-	-	-	-	-	(7)	7	
	Black Country Ultra Low Emission Vehicle Programme - Wolverhampton 2019-2020	5	-	-	-	-	5	-	(5)	
	Black Country Ultra Low Emission Vehicle Programme – Dudley, Sandwell and Walsall share	78	-	-	-	-	78	-	(78)	
	Black Country Ultra Low Emission Vehicle Programme – Wolverhampton 2020-2021	22	-	-	-	-	22	-	(22)	
	A4123 Corridor - A4150 Ring Road to A456 Hagley Road	200	-	-	-	-	200	-	(200)	
	A454 Wolverhampton to Neachells Lane, Phases 1,2 and 3	274	-	-	-	-	274	-	(274)	
	A449 Stafford Road - M54J2 to A4150 Ring Road	141	-	-	-	-	141	-	(141)	

Detailed projected budget

Appendix 1

Division	Project	Projected budget						Total	Internal resources	External resources
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	£000			
		£000	£000	£000	£000	£000	£000			
General Revenue Account capital programme										
City Environment	Street Lighting	-	-	-	-	-	-	-	-	
	Street Lighting replacement programme (Invest to Save)	120	1,856	-	-	-	1,976	(1,976)	-	
	Smart Intelligent Infrastructure Investment (ERDF)	1,787	3,246	-	-	-	5,033	(2,940)	(2,093)	
	Disabled Access (rolling programme)	-	-	-	-	-	-	-	-	
	Disabled Access (rolling programme)	20	-	-	-	-	20	-	(20)	
	Highway Structures (bridges, subways, retaining walls)	-	-	-	-	-	-	-	-	
	Highway Structures - Council Assets - Strengthening	120	-	-	-	-	120	-	(120)	
	Arthur Street Bridge	1,200	-	-	-	-	1,200	(201)	(999)	
	Vaughan Subway	140	-	-	-	-	140	-	(140)	
	Moathouse Lane Bridge	30	-	-	-	-	30	-	(30)	
	Maintenance of unclassified roads	-	-	-	-	-	-	-	-	
	Carriageway Surfacing Treatment	660	660	-	-	-	1,320	(1,320)	-	
	Dudley street Footways	350	100	-	-	-	450	(350)	(100)	
	Waterhead Drive flood defence works	176	-	-	-	-	176	(20)	(156)	
	Wright Avenue/Hylstone Crescent/Pritchard Avenue and roads off	200	-	-	-	-	200	-	(200)	
	Northwood Park Road	150	-	-	-	-	150	-	(150)	
	Public Rights of way improvements	25	-	-	-	-	25	-	(25)	
	Church Hill - resurface footways	150	-	-	-	-	150	-	(150)	
	Maintenance of Non Highway Structures	-	-	-	-	-	-	-	-	
	Demolition of 60-60A Willenhall Road	3	-	-	-	-	3	(3)	-	
	Waste & Recycling Strategy	-	-	-	-	-	-	-	-	
	Garden waste bins 2020-2021	95	7	-	-	-	102	(102)	-	
	Skips for temporary waste collection site 2020-2021	20	19	-	-	-	39	(39)	-	
	Commercial Waste Services Bins 2020-2021	140	40	-	-	-	180	(180)	-	
	Lighting up the City	89	-	-	-	-	89	(89)	-	
	Smart and Accessible City	-	-	-	-	-	-	-	-	
	Grant Payment to private partner	183	-	-	-	-	183	-	(183)	
	Waste collection vehicles - Key Out System 2020-2021	25	-	-	-	-	25	(25)	-	
	SupaTrak system and in-cab Garmin devices 2020-2021	19	-	-	-	-	19	(19)	-	
	Emergency Active Travel Fund (EATF) Tranche 1	-	-	-	-	-	-	-	-	
	EATF Tranche 1 - Lichfield Street, Queens Square and	85	-	-	-	-	85	-	(85)	
	Darlington Street lane closure, removal of bays and seating	-	-	-	-	-	-	-	-	
	EATF Tranche 1 - Contra flow cycle lane in Darlington Street /	33	-	-	-	-	33	-	(33)	
	Lichfield street and cycle parking.	-	-	-	-	-	-	-	-	
	EATF Tranche 1 - Victoria Street closure to motor vehicles	88	-	-	-	-	88	-	(88)	
	and creation of a pedestrian / cycling zone.	-	-	-	-	-	-	-	-	
	EATF Tranche 1 - Gateway markings and arrangements at ring	4	-	-	-	-	4	-	(4)	
	road access points to aid social distancing	-	-	-	-	-	-	-	-	
	EATF Tranche 1b - Ring Road St Peter's Crossing	110	-	-	-	-	110	-	(110)	
	Towns Fund Phase 1	1,000	-	-	-	-	1,000	-	(1,000)	
	Traveller Transit Site	-	-	-	-	-	-	-	-	
	Traveller Transit Site Phase 1	471	-	-	-	-	471	(471)	-	
	Highways Maintenance Challenge Fund 2021	-	-	-	-	-	-	-	-	
	Highways Maintenance Challenge Fund 2021 - Blaydon Road	380	-	-	-	-	380	-	(380)	
	Highways Maintenance Challenge Fund 2021 - Dilloways Lane	200	-	-	-	-	200	-	(200)	
	Highways Maintenance Challenge Fund 2021 - Dunstall Road	140	-	-	-	-	140	-	(140)	
	Highways Maintenance Challenge Fund 2021 - Great Brickkiln Lane	300	-	-	-	-	300	-	(300)	
	Highways Maintenance Challenge Fund 2021 - Griffiths Drive	640	-	-	-	-	640	-	(640)	
	Highways Maintenance Challenge Fund 2021 - New Street	47	-	-	-	-	47	-	(47)	
	Highways Maintenance Challenge Fund 2021 - Old Fallings Lane	26	-	-	-	-	26	-	(26)	
	Highways Maintenance Challenge Fund 2021 - Prouds Lane	400	-	-	-	-	400	-	(400)	
	Highways Maintenance Challenge Fund 2021 - School Road	190	-	-	-	-	190	-	(190)	
	Highways Maintenance Challenge Fund 2021 - The Holloway	153	-	-	-	-	153	-	(153)	
	Highways Maintenance Challenge Fund 2021 - Warstones Drive	390	-	-	-	-	390	-	(390)	
	Highways Maintenance Challenge Fund 2021 - Willenhall Road	190	-	-	-	-	190	-	(190)	
	Highways Maintenance Challenge Fund 2021 - Ring Road Footways	100	-	-	-	-	100	-	(100)	
	Highways Maintenance Challenge Fund 2021 - Upper Villiers Street	300	-	-	-	-	300	-	(300)	
	Residential Waste Bins	-	-	-	-	-	-	-	-	
	Waste Domestic Bins 2020-2021	18	-	-	-	-	18	(18)	-	
	Cylindrical 'Paladin' Bins 2020-2021	49	-	-	-	-	49	(49)	-	
Education and Skills	Wilkinson Primary School - New Build	8	-	-	-	-	8	(8)	-	
	Primary Expansion Programme	200	10,208	-	-	-	10,408	(1,000)	(9,408)	
	PEP Phase 3 - St Marys Catholic Primary School	25	-	-	-	-	25	(25)	-	
	Loxdale Primary Phase 4	60	-	-	-	-	60	(60)	-	
	Spring Vale Primary Phase 4	48	-	-	-	-	48	(48)	-	
	Stowlawn Primary Phase 4	63	-	-	-	-	63	(63)	-	
	Schools Devolved Formula Capital	473	700	-	-	-	1,173	-	(1,173)	
	Prudential Loans	150	-	-	-	-	150	(150)	-	
	Asbestos Removal	-	-	-	-	-	-	-	-	
	Asbestos Removal - Westacre Infant School	7	-	-	-	-	7	-	(7)	
	Graiseley Primary - asbestos removal nursery entrance	5	-	-	-	-	5	-	(5)	
	Lanesfield Primary - asbestos removal boiler house	14	-	-	-	-	14	-	(14)	
	Christ Church Infants - electrical remedial works following periodic inspection	32	-	-	-	-	32	-	(32)	
	Penn Hall Special School - electrical remedial work	36	-	-	-	-	36	-	(36)	
	Whitgreave Primary - electrical remedial work	7	-	-	-	-	7	-	(7)	

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total	Internal resources	External resources
		2020-	2021-	2022-	2023-	2024-			
		2021	2022	2023	2024	2025			
		£000	£000	£000	£000	£000	£000	£000	
General Revenue Account capital programme									
Education and Skills	Bushbury Nursery - remedial electrical work	32	-	-	-	-	32	-	(32)
	Castlecroft Primary - remedial electrical work	55	-	-	-	-	55	-	(55)
	Dovecotes Primary - remedial electrical work	60	-	-	-	-	60	-	(60)
	Graiseley Primary - remedial electrical work	45	-	-	-	-	45	-	(45)
	Westacre Infants - remedial electrical work	57	-	-	-	-	57	-	(57)
	Contingency for Emergency Works	274	800	-	-	-	1,074	(270)	(804)
	Infrastructure Abnormals/SLG/ELS	340	-	-	-	-	340	(340)	-
	Capital Maintenance - Fire Safety	-	-	-	-	-	-	-	-
	The King's Church of England School - fire protection work	308	-	-	-	-	308	(308)	-
	Colton Hills Community School - fire protection work	623	-	-	-	-	623	(623)	-
	Tettenhall Wood Special - fire protection work	362	-	-	-	-	362	(362)	-
	The Orchard Centre - fire protection work	11	-	-	-	-	11	(11)	-
	Capital Maintenance - heating pipework upgrades	-	-	-	-	-	-	-	-
	Springdale Junior - replacement heating pipework	164	-	-	-	-	164	-	(164)
	Lanesfield Primary - replace hot and cold water pipework	107	-	-	-	-	107	-	(107)
	Asmore Park Nursery - underfloor heating	10	-	-	-	-	10	-	(10)
	Braybrook PRU - boiler replacement	88	-	-	-	-	88	-	(88)
	Rakegate Primary - hot water system	30	-	-	-	-	30	-	(30)
	St Andrews Church of England Primary - HORSIA building heating	24	-	-	-	-	24	-	(24)
	Stow Heath Primary - hot water system	62	-	-	-	-	62	-	(62)
	Whitgreave Primary - replacment boiler	37	-	-	-	-	37	-	(37)
	Windsor Nursery - replacement boiler	27	-	-	-	-	27	-	(27)
	West Park Primary - replacement boiler house flue	4	-	-	-	-	4	-	(4)
	Capital Maintenance - roof / ceilings replacements	-	-	-	-	-	-	-	-
	Christ Church, Church of England Infants (TW) - roof covering to link	10	-	-	-	-	10	-	(10)
	West Park Primary - replacement roof covering	42	-	-	-	-	42	-	(42)
	Bilston Church of England Primary - flat roof	10	-	-	-	-	10	-	(10)
	Green Park Special School - flat roof	10	-	-	-	-	10	-	(10)
	Spring Vale Primary - flat roof	40	-	-	-	-	40	-	(40)
	St Andrews Church of England Primary - flat roof	66	-	-	-	-	66	-	(66)
	Bushbury Nursery - replacement flat roof	10	-	-	-	-	10	-	(10)
	Bilston Nursery - replacement ceiling	5	-	-	-	-	5	-	(5)
	Capital Maintenance - Structural Works	-	-	-	-	-	-	-	-
	D'Eyncourt Primary - resurface car park	30	-	-	-	-	30	-	(30)
	Wood End Primary - boundary fence replacement	1	-	-	-	-	1	-	(1)
	Stow Heath Primary - toilets refurbishment	46	-	-	-	-	46	-	(46)
	Penn Hall Special - traffic control measures	55	-	-	-	-	55	(55)	-
	Penn Fields Special - void space protection measures	341	-	-	-	-	341	(341)	-
	Stow Heath Primary - flooring and damp proofing	30	-	-	-	-	30	-	(30)
	Christ Church, Church of England, Infant School - drainage to modular classroom	5	-	-	-	-	5	-	(5)
	Christ Church, Church of England, Infant School - timber works to modular classroom	9	-	-	-	-	9	-	(9)
	Tettenhall Wood Special School - structural works to hydrotherapy pool	20	-	-	-	-	20	-	(20)
	Westacre Infants - replacement floor covering	10	-	-	-	-	10	-	(10)
	Wood End Primary - playground resurfacing	34	-	-	-	-	34	(3)	(31)
	Kings CE School Priority Remedial Works	1,000	-	-	-	-	1,000	(1,000)	-
	Uplands Junior - resurface and drainage to drive	3	-	-	-	-	3	-	(3)
	Penn Hall Special - resurface drive	20	-	-	-	-	20	(10)	(10)
	Wodensfield Primary - refurbish toilets	45	-	-	-	-	45	-	(45)
	Lanesfield Primary - refurbish toilets	45	-	-	-	-	45	-	(45)
	Capital Maintenance - Window Upgrade	-	-	-	-	-	-	-	-
	The Parkfields Centre - Orchard PRU - replacement windows	43	-	-	-	-	43	-	(43)
	Braybrook PRU - replacement windows	50	-	-	-	-	50	-	(50)
	Claregate Primary - replacement hall windows	70	-	-	-	-	70	-	(70)
	Education - BSF - Design & Build - Sample Schemes	-	-	-	-	-	-	-	-
	BSF - Sample Schemes - The Kings School	5	-	-	-	-	5	(5)	-
	Secondary School Expansion Programme	-	9,402	-	-	-	9,402	-	(9,402)
	Secondary Expansion Programme - Aldersley High	202	-	-	-	-	202	(202)	-
	Secondary Expansion Programme - Our Lady & St Chad's Catholic Academy	441	-	-	-	-	441	(441)	-
	Secondary Expansion Programme - Highfields School	46	-	-	-	-	46	(46)	-
	Secondary Expansion Programme - Ormiston SWB Academy	(8)	-	-	-	-	(8)	8	-
	Secondary Expansion Programme - St Edmund's Catholic Academy	825	266	-	-	-	1,091	(266)	(825)
	Secondary Expansion Programme - West Midlands University Technical College (UTC)	1,000	-	-	-	-	1,000	(2,000)	-
	Schools improvements RCCO funded	-	-	-	-	-	-	-	-
	Orchard PRU improvements - Sports Barn	202	-	-	-	-	202	(202)	-
	SPCF Special Provision Capital Fund	460	-	-	-	-	460	-	(460)
	SPCF Penn Hall Special School SEN sensory gym	31	-	-	-	-	31	-	(31)
	SPCF Green Park Special School SEN expansion	2	-	-	-	-	2	-	(2)
	SPCF Resource base St Michaels Church of England Primary	-	560	-	-	-	560	-	(560)
	SPCF Resource base St Martins Church of England Primary	50	-	-	-	-	50	-	(50)
	Healthy Pupil Capital Fund	-	-	-	-	-	-	-	-
	HPCF Primary school - sports & fitness	51	-	-	-	-	51	(31)	(20)
	HPCF Special schools - sports & fitness	9	-	-	-	-	9	(5)	(4)
	HPCF PRUs - sports & fitness	3	-	-	-	-	3	(1)	(2)

Detailed projected budget

Appendix 1

Division	Project	Projected budget						Internal resources	External resources
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Total		
		£000	£000	£000	£000	£000	£000		
General Revenue Account capital programme									
Public Health	Sports Investment Strategy	-	172	-	-	-	172	(172)	-
	Bamhurst Land Pitches	3	-	-	-	-	3	(3)	-
	Synthetic Pitch at Our Lady & St Chad's School	116	-	-	-	-	116	(116)	-
	Peace Green sport facilities	3	-	-	-	-	3	(3)	-
	Fordhouses Cricket Club	32	-	-	-	-	32	-	(32)
	Leisure Centres Enhancement	-	-	-	-	-	-	-	-
	WV Active - Aldersley Leisure Village Enhancement	65	-	-	-	-	65	(65)	-
	WV Active Leisure Centres - Lockers	125	-	-	-	-	125	(125)	-
	Aldersley Village - Outdoor Light System	100	-	-	-	-	100	(100)	-
	Central Baths - Plant Room Filters/Air Handling	14	-	-	-	-	14	(14)	-
	Bowling provision	-	102	-	-	-	102	-	(102)
	Cricket provision	-	-	-	-	-	-	-	-
	Newbridge Playing Fields	2	-	-	-	-	2	-	(2)
	Grants to other organisations	-	-	-	-	-	-	-	-
	NACRO Premises Refurbishment	8	-	-	-	-	8	-	(8)
Total General Revenue Account - existing and new projects		94,469	155,779	31,522	12,843	5,277	299,890	(206,224)	(93,666)

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total	Internal resources	External resources
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025			
		£000	£000	£000	£000	£000	£000	£000	£000
Housing Revenue Account capital programme									
Housing Revenue Account	Decent Homes - Stock Improvements	-	-	-	-	-	-	-	-
	High Rise M&E Infrastructure Refurbishment	4,000	7,457	6,600	6,600	7,072	31,729	(31,729)	-
	Heath Town Refurbishment of Retained Properties	9,772	11,500	10,500	4,719	-	36,491	(36,491)	-
	Internal Decency Works	1,399	5,000	4,250	4,500	4,750	19,899	(19,899)	-
	Bushbury Improvement Programme	100	900	-	-	-	1,000	(1,000)	-
	Minor Works/Door Entry Rolling Programme	-	-	-	-	-	-	-	-
	Door Entry (2005/06 Spend Onwards)	370	370	370	370	370	1,850	(1,850)	-
	Pathway Improvement and Safety Programme	-	-	-	-	-	-	-	-
	Repairs - Pathways/Unadopted Roads	200	200	200	200	200	1,000	(1,000)	-
	External Improvement Programme	-	-	-	-	-	-	-	-
	External Improvement Works (Pre Decent Homes)	1,100	600	-	-	-	1,700	(1,700)	-
	Adaptations for People with Disabilities	1,048	1,000	1,000	1,000	1,000	5,048	(5,048)	-
	WH Service Sales Admin & Capitalised Salaries	-	-	-	-	-	-	-	-
	Sale of Council Houses Admin	60	60	60	60	60	300	(300)	-
	W/ton Homes - Capitalised Sals	1,700	1,700	1,700	1,700	1,700	8,500	(8,500)	-
	Housing services capitalised salaries	-	-	-	-	-	-	-	-
	Housing Services Capitalised Salaries	502	400	400	400	400	2,102	(2,102)	-
	Refurbishment of Voids	-	-	-	-	-	-	-	-
	Refurbishment of Voids to Decent Homes Standard	4,290	3,000	3,000	3,000	3,000	16,290	(16,290)	-
	Boiler Replacement Programme	-	-	-	-	-	-	-	-
	Boiler Replacement	670	680	680	680	680	3,390	(3,390)	-
	Heath Town	-	-	-	-	-	-	-	-
	Heath Town	1,262	-	-	-	-	1,262	(1,262)	-
	Tap Works site	-	-	-	-	-	-	-	-
	Tap works – Showell Road	443	-	-	-	-	443	(443)	-
	Structural works	-	-	-	-	-	-	-	-
	Structural works	860	1,120	1,000	1,000	1,000	4,980	(4,980)	-
	Remedial Works to non-traditional properties	-	-	-	2,200	2,200	4,400	(4,400)	-
	Lift and DDA Improvements	-	-	-	-	-	-	-	-
	Lift Improvements	250	680	680	680	680	2,970	(2,970)	-
	Fire Safety Improvements	-	-	-	-	-	-	-	-
	High Rise Fire Safety Issues	1,300	5,046	3,600	3,600	2,269	15,815	(15,815)	-
	Fire Safety Improvements - Medium and Low Rise	700	2,500	3,500	3,500	3,500	13,700	(13,700)	-
	Roof Refurbishment Programme	-	-	-	-	-	-	-	-
	Roofing Refurbishment Programme - City wide	4,300	5,100	4,800	4,800	4,100	23,100	(23,100)	-
	Tower and Fort Works	-	-	-	-	-	-	-	-
	Tower and Fort Works Project	153	-	-	-	-	153	(153)	-
	New Build Programme	-	-	-	11,600	15,450	27,050	(27,050)	-
	Old Fallings Crescent	100	-	4,900	-	-	5,000	(5,000)	-
	Sustainable Estates Programme	-	-	-	-	-	-	-	-
	Sustainable Estates Programme	300	3,000	3,000	3,000	3,000	12,300	(12,300)	-
	Non Trad Surveys	-	-	-	-	-	-	-	-
	Non Traditional Surveys	92	50	50	50	450	692	(692)	-
	Small Sites 4	-	-	-	-	-	-	-	-
	Small Sites 4	846	-	-	-	-	846	(846)	-
	Burton Crescent	-	-	-	-	-	-	-	-
	Burton Crescent	1,027	-	-	-	-	1,027	(643)	(384)
	Heath Town New Build Programme	-	-	-	-	-	-	-	-
	Heath Town New Build Phase 1	500	4,500	4,500	-	-	9,500	(9,500)	-
	Heath Town New Build Phase 2	500	4,500	4,500	3,500	-	13,000	(13,000)	-
	Heath Town New Build Phase 3	-	2,500	5,000	2,500	-	10,000	(10,000)	-
	Heath Town Phase 3	-	-	-	-	-	-	-	-
	WVL Units	-	-	-	10,000	10,000	20,000	(20,000)	-
	WVL Units - Prouds Lane	1,640	-	-	-	-	1,640	(1,550)	(90)
	WVL Units - Wednesfield	4,500	4,050	-	-	-	8,550	(8,550)	-
	WVL Units - Former Residential care Home Sites	1,400	300	-	-	-	1,700	(1,700)	-
	Northcote	-	2,500	-	-	-	2,500	(2,500)	-
	Medium Sites	-	-	-	-	-	-	-	-
	Medium Sites	1,371	4,000	2,900	-	-	8,271	(8,271)	-
	High Rise Sprinkler Programme	-	-	-	-	-	-	-	-
	High Rise Sprinkler Programme	2,000	6,932	4,800	4,800	1,400	19,932	(19,932)	-
	High Rise External Works	-	-	-	3,900	3,900	7,800	(7,800)	-
	Reedham Gardens	-	-	-	-	-	-	-	-
	Reedham Gardens	1,137	2,792	-	-	-	3,929	(3,929)	-
	Additional Social Housing	-	-	-	-	-	-	-	-
	Additional Social Housing	2,500	2,000	2,000	2,000	2,000	10,500	(10,390)	(110)
	Small Sites Programme	-	-	-	-	-	-	-	-
	Bushbury Hill Community Housing	500	1,000	-	-	-	1,500	(1,500)	-
	Inkerman Street Community Housing	500	1,000	-	-	-	1,500	(1,500)	-
	Small Sites 5	3,000	2,262	-	-	-	5,262	(5,262)	-
	Estate Remodelling	-	2,006	10,000	10,000	12,900	34,906	(34,906)	-
	Estate remodelling - New Park Village	100	-	-	-	-	100	(100)	-
	Jericho House	250	-	-	-	-	250	(250)	-
Total Housing Revenue Account - existing and new projects		56,742	90,705	83,990	90,359	82,081	403,877	(403,293)	(584)

Detailed forecast change

Appendix 2

Division	Project	Approved budget	Proposed budget	Total change	Comments
		£000	£000	£000	
General Revenue Account capital programme					
City Assets and Housing	Disabled Facilities Grants	5,210	5,210	-	
	Housing General Fund General Schemes - Small Works Assistance (SWA)	475	475	-	
	Housing General Fund General Schemes - Capitalised Salaries	101	101	-	
	Housing General Fund General Schemes - Empty Properties Strategy	243	243	-	
	Corporate Asset Management	4,495	4,495	-	
	Energy Efficiency Measures	569	569	-	
	Housing General Schemes - Affordable Warmth	324	324	-	
	Disposals Programme (Non-Strategic)	106	106	-	
	Remedial Works	17	17	-	
Emergency Fire Safety Improvements	-	90	90	The change in this budget reflects new proposed project for which approval is now sought within Appendix 3.	
Finance	Corporate Contingency	27,644	21,970	(5,674)	The change in this budget reflects virements as detailed in Appendix 4. In addition, virements totalling £8.2 million have been approved through Individual Executive Decision Notices since the last report to the following schemes: £1.8 million for projects within Corporate Asset Management, £471,000 for phase one of the Travellers Site Development, £5 million to the Civic Halls, £275,000 for a cremator at Bushbury Crematorium, £237,000 to Blakenhall Community Heathy Living Centre, £180,000 for Commercial Waste bins, £132,000 to the Art Gallery and £67,000 for residential waste bins.
	Capitalisation Directives	10,000	10,000	-	
	WV Living	43,300	43,300	-	
Land and Property Investment Fund	Land and Property Investment Fund	125	125	-	
Regeneration	i54 Access and Infrastructure	465	465	-	
	Targeted Disposals Programme	94	39	(55)	The change in this budget reflects virement as detailed in Appendix 4.
	South Side	315	315	-	
	Wolverhampton Interchange Office/Retail Accommodation	13,000	13,000	-	
	Wolverhampton Interchange Block 11	57	57	-	
	Bilston Urban Village	2,678	2,758	80	The change in this budget reflects virement as detailed in Appendix 4.
	Black Country Growth Deal – Cultural Programme	30,658	30,658	-	
	Interchange - Ph2 Train Station/MSCP/Metro Extension	8,854	9,327	473	The change in this budget reflects new grant allocation.
	Queen Street Gateway Townscape Heritage Project	605	605	-	
	i54 Western Extension	24,642	24,642	-	
	City Learning Quarter	43,337	43,337	-	
	War Memorial Restoration	19	19	-	
	Development of Cultural Estate	947	947	-	
	Strategic Land Acquisitions	3,963	3,963	-	
AIM for GOLD - ERDF	1,296	1,296	-		
Future High Street Fund	-	5,000	5,000	The change in this budget reflects new proposed project for which approval is now sought within Appendix 3.	
Strategy	ICT General Programme	3,520	3,380	(140)	The change in this budget reflects virement as detailed in Appendix 4.
	ICT Disaster Recovery	200	140	(60)	The change in this budget reflects virement as detailed in Appendix 4.
	ICT Desktop Refresh	201	580	379	The change in this budget reflects virement as detailed in Appendix 4 and new proposed projects for which approval is now sought.
	Digital Transformation Programme Software	230	230	-	
	Service Led ICT Projects	728	1,286	558	The change in this budget reflects virement as detailed in Appendix 4 and new proposed project for which approval is now sought.
	Full Fibre Network	5,072	5,072	-	
Adult Services	Aiming High for Disabled Children	52	52	-	
Children's Services	Co-Location Programme	8	8	-	
	Looked after Children - Extensions/Vehicles	5	5	-	
City Environment	Maintenance of classified roads	3,030	3,032	2	The change in this budget reflects virement as detailed in Appendix 4.
	Raglan Street - Sainsburys S278 works	28	28	-	
	Highway Improvement Programme	1,151	1,121	(30)	The change in this budget reflects virement as detailed in Appendix 4.
	Vehicles (Procurement)	5,948	5,948	-	
	Bowman's Harbour - Former Landfill Sites	101	101	-	
	Markets Wton Wholesale Market	10	11	1	The change in this budget reflects virement as detailed in Appendix 4.
	Markets Bilston Retail Market	15	17	2	The change in this budget reflects virement as detailed in Appendix 4.
	Parks Strategy and Open Space	1,833	2,043	210	The change in this budget reflects new proposed projects for which approval is now sought within Appendix 3.
	Bereavement Services	909	909	-	
	Safety Programme	1,462	1,492	30	The change in this budget reflects virement as detailed in Appendix 4.
	Active Travel Programme	99	82	(17)	The change in this budget reflects virement as detailed in Appendix 4.
	Network Development - Safer Routes to School	50	52	2	The change in this budget reflects virement as detailed in Appendix 4.
Accessing Growth Fund - Major Roads Network	358	1,009	651	The change in this budget reflects virement as detailed in Appendix 4 and new proposed projects for which approval is now sought.	

Detailed forecast change

Appendix 2

Division	Project	Approved budget	Proposed budget	Total change	Comments
		£000	£000	£000	
General Revenue Account capital programme					
City Environment	Street Lighting	7,009	7,009	-	
	Disabled Access (rolling programme)	20	20	-	
	Highway Structures (bridges, subways, retaining walls)	1,490	1,490	-	
	Maintenance of unclassified roads	2,471	2,471	-	
	Maintenance of Non Highway Structures	3	3	-	
	Waste & Recycling Strategy	324	321	(3)	The change in this budget reflects virement as detailed in Appendix 4.
	Lighting up the City	93	89	(4)	The change in this budget reflects virements as detailed in Appendix 4.
	Smart and Accessible City	183	183	-	
	General Waste Service Improvement	44	44	-	
	Emergency Active Travel Fund (EATF) Tranche 1	193	210	17	The change in this budget reflects virements as detailed in Appendix 4.
	Emergency Active Travel Fund (EATF) Tranche 1b	110	110	-	
	Towns Fund Phase 1	1,000	1,000	-	
	Traveller Transit Site	471	471	-	
	Highways Maintenance Challenge Fund 2021	3,456	3,456	-	
Residential Waste Bins	67	67	-		
Education and Skills	Wilkinson Primary School - New Build	8	8	-	
	Primary Expansion Programme	5,604	10,604	5,000	The change in this budget reflects new grant allocation.
	Schools Devolved Formula Capital	1,173	1,173	-	
	Prudential Loans	150	150	-	
	Asbestos Removal	14	26	12	The change in this budget reflects virement as detailed in Appendix 4 and new proposed projects for which approval is now sought.
	Electrical Works	315	324	9	The change in this budget reflects virement as detailed in Appendix 4.
	Contingency for Emergency Works	550	1,074	524	The change in this budget reflects virement as detailed in Appendix 4 and new grant allocation.
	Building Schools for Future ICT Infrastructure	340	340	-	
	Capital Maintenance - Fire Safety	1,304	1,304	-	
	Capital Maintenance - Heating Pipework Upgrades	552	553	1	The change in this budget reflects virement as detailed in Appendix 4.
	Capital Maintenance - Roof / Ceilings Replacements	247	193	(54)	The change in this budget reflects virement as detailed in Appendix 4 and new proposed projects for which approval is now sought.
	Capital Maintenance - Structural Works	1,571	1,694	123	The change in this budget reflects virement as detailed in Appendix 4 and new proposed projects for which approval is now sought.
	Capital Maintenance - Window Upgrade	160	163	3	The change in this budget reflects virement as detailed in Appendix 4.
	Education - BSF - Design & Build - Sample Schemes	5	5	-	
	Secondary School Expansion Programme	8,848	13,174	4,326	The change in this budget reflects new grant allocation.
	Schools improvements RCCO funded	202	202	-	
	SPCF Special Provision Capital Fund	1,103	1,103	-	
Healthy Pupil Capital Fund	63	63	-		
	-	-	-		
Public Health	Sports Investment Strategy	326	326	-	
	Leisure Centres Enhancement	342	304	(38)	The change in this budget reflects virement as detailed in Appendix 4.
	Bowling provision	102	102	-	
	Cricket provision	2	2	-	
	Grants to other organisations	8	8	-	
Total General Revenue Account capital programme - existing and new projects		288,472	299,890	11,418	

Detailed forecast change

Appendix 2

Division	Project	Approved budget	Proposed budget	Total change	Comments
		£000	£000	£000	
Housing Revenue Account					
Housing Revenue Account	Decent Homes - Stock Improvements	89,119	89,119	-	
	Minor Works/Door Entry Rolling Programme	1,850	1,850	-	
	Pathway Improvement and Safety Programme	1,000	1,000	-	
	External Improvement Programme	1,700	1,700	-	
	Adaptations for People with Disabilities	5,048	5,048	-	
	WH Service Sales Admin & Capitalised Salaries	8,800	8,800	-	
	Housing services capitalised salaries	2,102	2,102	-	
	Refurbishment of Voids	15,250	16,290	1,040	The change in this budget reflects virement as detailed in Appendix 4.
	Boiler Replacement Programme	3,390	3,390	-	
	Heath Town	1,262	1,262	-	
	Tap Works site	443	443	-	
	Structural works	9,380	9,380	-	
	Lift and DDA Improvements	3,390	2,970	(420)	The change in this budget reflects virement as detailed in Appendix 4.
	Fire Safety Improvements	29,345	29,515	170	The change in this budget reflects virement as detailed in Appendix 4.
	Roof Refurbishment Programme	23,100	23,100	-	
	Tower and Fort Works	153	153	-	
	New Build Programme	47,712	32,050	(15,662)	The change in this budget reflects virement as detailed in Appendix 4.
	Sustainable Estates Programme	12,900	12,300	(600)	The change in this budget reflects virement as detailed in Appendix 4.
	Non Trad Surveys	1,132	692	(440)	The change in this budget reflects virement as detailed in Appendix 4.
	Small Sites 4	846	846	-	
	Burton Crescent	1,027	1,027	-	
	Heath Town New Build Programme	3,000	32,500	29,500	The change in this budget reflects virement as detailed in Appendix 4 and new proposed projects for which approval is now sought.
	Heath Town Phase 3	11,600	-	(11,600)	The change in this budget reflects virement as detailed in Appendix 4.
	WVL Units	34,390	31,890	(2,500)	The change in this budget reflects virement as detailed in Appendix 4.
	Northcote	2,500	2,500	-	
	Medium Sites	8,271	8,271	-	
	High Rise Sprinkler Programme	19,932	19,932	-	
	High Rise External Works	7,800	7,800	-	
	Reedham Gardens	3,929	3,929	-	
	Additional Social Housing	10,500	10,500	-	
	Small Sites Programme	8,000	8,262	262	The change in this budget reflects virement as detailed in Appendix 4.
	Estate Remodelling	35,006	35,006	-	
	Jericho House	-	250	250	The change in this budget reflects new proposed project for which approval is now sought.
Total Housing Revenue Account - existing projects		403,877	403,877	-	

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Projects requiring approval

Appendix 3

New projects created from virements and additional resources	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	Total	Virement	Additional resources	
	£000	£000	£000	£000	£000	£000		£000	Internal
A full set of virements can be found in Appendix 4									
General Revenue Account capital programme									
ICT Capital Programme									
Approval is sought for the following capital ICT rolling projects:									
IT Service Management 2021-2022	-	50	-	-	-	50	50	-	-
Desk top refresh 2021-2022	-	245	-	-	-	245	245	-	-
Service Led ICT Capital Programmes									
Approval is sought for the development of Eclipse for Adults social care and the Eclipse finance module for both, Children and Adults, service areas:									
Migrate Care First to Eclipse - Adults and Finance Module	164	347	271	-	-	782	782	-	-
Schools Capital Maintenance									
Approval is sought for capital maintenance works across the following schools:									
Graiseley Primary - asbestos removal - nursery entrance	5	-	-	-	-	5	5	-	-
Lanesfield Primary - asbestos removal - boiler house	14	-	-	-	-	14	14	-	-
West Park Primary - replacement boiler house flue	4	-	-	-	-	4	4	-	-
Bushbury Nursery - replacement flat roof	10	-	-	-	-	10	10	-	-
Bilston Nursery - replacement ceiling	5	-	-	-	-	5	5	-	-
Uplands Junior - resurface and drainage to drive	3	-	-	-	-	3	3	-	-
Penn Hall Special - resurface drive	20	-	-	-	-	20	10	10	-
Wodensfield Primary - refurbish toilets	45	-	-	-	-	45	45	-	-
Lanesfield Primary - refurbish toilets	45	-	-	-	-	45	45	-	-
Parks Strategy and Open Spaces Capital Programme									
Approval is sought to carry out improvement works funded from S106 contributions for the following open spaces:									
Prouds Lane Open Space	-	122	-	-	-	122	-	-	122
Wednesfield Link Open Space	-	72	-	-	-	72	-	-	72
Smestow Valley Local Nature Reserve Open Space	-	16	-	-	-	16	-	-	16
Housing Private Sector Renewal									
Approval is sought for the fire safety improvements:									
Emergency Fire Safety Improvements	90	-	-	-	-	90	90	-	-
Highway Improvements and Active Travel Capital Programme									
Approval is sought for the following Transportation projects fully funded from new grant award:									
A4123 Corridor - A4150 Ring Road to A456 Hagley Road	200	-	-	-	-	200	-	-	200
A454 Wolverhampton to Neachells Lane, Phases 1,2, & 3	274	-	-	-	-	274	-	-	274
A449 Stafford Road - M54 J2 to A4150 Ring Road	141	-	-	-	-	141	-	-	141
Future High Street Fund									
Approval is sought to reallocate resources to provide the required match funding for the projects included in the Future High Street fund bid.									
	-	5,000	-	-	-	5,000	5,000	-	-
Total General Revenue Account capital programme new projects	1,020	5,852	271	-	-	7,143	6,308	10	825
Financing									
Internal resources	264	5,642	271	-	-	6,177	6,167	10	-
External resources	756	210	-	-	-	966	141	-	825
Grand total financing	1,020	5,852	271	-	-	7,143	6,308	10	825

New projects created from virements and additional resources A full set of virements can be found in Appendix 4	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	Total	Virement	Additional resources	
	£000	£000	£000	£000	£000	£000	£000	Internal	External
Housing Revenue Account									
New Build Capital Programme									
Approval is sought for the following housing development projects:									
Heath Town New Build Phase 1	500	4,500	4,500	-	-	9,500	9,500	-	-
Heath Town New Build Phase 2	500	4,500	4,500	3,500	-	13,000	13,000	-	-
Heath Town New Build Phase 3	-	2,500	5,000	2,500	-	10,000	10,000	-	-
Estate Remodelling Capital Programme									
Approval is sought for a new project to carry out surveyor and design works at New Park Village.									
New Park Village	100	-	-	-	-	100	100	-	-
Other Stock Condition Improvements									
Approval is sought for a new project to progress with the urgent refurbishment works at Jericho House.									
Jericho House	250	-	-	-	-	250	250	-	-
Total HRA new projects	1,350	11,500	14,000	6,000	-	32,850	32,850	-	-
Financing									
Internal resources	1,350	11,500	14,000	6,000	-	32,850	32,850	-	-
External resources	-	-	-	-	-	-	-	-	-
Grand total financing	1,350	11,500	14,000	6,000	-	32,850	32,850	-	-

Virements for approval

Appendix 4

Capital project	Virement		Comments
	Existing project £000	New project £000	
General Revenue Account			
Re-allocation virements to new projects			
Corporate Contingency			
Provision for future programmes	(737)	-	Virements are proposed to reallocate resources to support the completion of Eclipse for Children's social care, the development of Eclipse for Adults social care and the Eclipse finance module for both service areas.
Service Led ICTS Projects			
Migrate Care First to Eclipse	(45)	-	
Migrate Care First to Eclipse - Adults and Finance Module	-	782	
Service Led ICTS Projects			
Provision for future programmes	(110)	-	Virements are proposed to reallocate resources to new annual projects required for the ICT rolling programmes.
ICT General Programme			
Infrastructure Upgrades (ICT Main Prog) 2021-2022	(100)	-	
Provision for future programmes	(50)	-	
Future Developments 2021-2022	(19)	-	
Data Centres (ICT Main Prog) 2021-2022	(16)	-	
Desk top refresh 2021-2022	-	245	
IT Service Management 2021-2022	-	50	
Schools Capital Maintenance - Roof / Ceilings Replacements			
Bilston Nursery - replacement roof tiles (Phase 2)	(69)	-	Virements are proposed to reallocate resources to support new projects within the Schools Capital Maintenance programme.
Bushbury Nursery replacement flat roof	-	10	
Bilston Nursery replacement ceiling	-	5	
Schools Contingency for Emergency Works			
Provision for future programmes	(62)	-	
Schools Asbestos Removal			
Christ Church, Church of England Infant School	(4)	-	
Westacre Infant School	(3)	-	
Lanesfield Primary - boiler house	-	14	
Graiseley Primary - nursery entrance	-	5	
Schools Capital Maintenance - Heating Pipework Upgrades			
Windsor Nursery - replacement boiler	(3)	-	
West Park Primary - replacement boiler house flue	-	4	
Schools Capital Maintenance - Structural Works			
Wodensfield Primary - refurbish toilets	-	45	
Lanesfield Primary - refurbish toilets	-	45	
Penn Hall - resurface drive	-	10	
Uplands Junior - resurface and drainage to drive	-	3	
Corporate Contingency			
Provision for future programmes	(90)	-	A virement is proposed to reallocate resources to support a new project.
Housing Private Sector Renewal			
Emergency Fire Safety Improvements	-	90	
Corporate Contingency			
Provision for future programmes	(5,000)	-	A virement is proposed to reallocate resources to a new project to provide the required match funding for the projects included in the Future High Street fund bid.
Future High Street Fund			
Provision for future programmes	-	5,000	
Re-allocation virements to existing projects			
Service Led ICT Projects			
Provision for future programmes	(56)	-	A virement is proposed to reallocate resources to individual project within the ICT capital programme.
ICT Desktop Refresh			
Desk top refresh 2020-2021	56	-	
Strategic Land Acquisitions			
Provision for future programmes	(66)	-	A virement is proposed to reallocate resources to individual project within the Strategic Land Acquisitions capital programme.
Acquisition of British Steelworks	66	-	
i54 Access and Infrastructure			
Provision for future programmes	(188)	-	A virement is proposed to reallocate resources to reflect reassessment of residual project expenditure as a result of a review of remaining capital commitments including road
i54 Access and Infrastructure - I54 - Contingency / General Costs - WCC	188	-	
Primary Expansion Programme			
Provision for future programmes	(25)	-	A virement is proposed to reallocate resources for post contract remedial work required at St Marys Catholic Primary.
PEP Phase 3 - St Marys Catholic Primary School	25	-	
Schools Special Provision Capital Fund SEN			
Provision for future programmes	(2)	-	A virement is proposed to reallocate resources to accommodate additional professional fees.
Green Park Special School SEN expansion	2	-	
Schools Contingency for Emergency Works			
Provision for future programmes	(19)	-	Virements are proposed to reallocate resources to support various capital maintenance works across the schools.
Schools Capital Maintenance - Electrical Works			
Bushbury Nursery - remedial electrical work	9	-	
Schools Capital Maintenance - Structural Works			
Tettenhall Wood Special School - structural works to hydrotherapy pool	5	-	
Christ Church, Church of England, Infant School - timber works to modular classroom	2	-	
Schools Capital Maintenance - Window Upgrade			
The Parkfields Centre - Orchard PRU - replacement windows	3	-	
Project to project virements			
ICT Disaster Recovery			
Disaster Recovery 2020-2021	(60)	-	Virements are proposed to reflect reallocation of resources across the projects within the ICT capital programme. Regular rescheduling of works is required to ensure that current corporate priorities are met and reflected.
ICT General Programme			
Infrastructure Upgrades (ICT Main Prog) 2021-2022	(52)	-	
Software Upgrades (ICT Main Prog) 2020-2021	(50)	-	
Future Developments 2020-2021	(50)	-	
Software Upgrades (ICT Main Prog) 2021-2022	89	-	
Infrastructure Upgrades (ICT Main Prog) 2020-2021	40	-	
Security Enhancement (ICT Main Prog) 2021-2022	13	-	
Data Centres (ICT Main Prog) 2020-2021	5	-	
Service Led ICTS Projects			
Potentially Violent Persons Register	(13)	-	
ICT Desktop Refresh			
Desk top refresh 2020-2021	78	-	

Virements for approval

Appendix 4

Capital project	Virement		Comments
	Existing project £000	New project £000	
General Revenue Account			
i54 Western Extension			
i54 Western Extension - Access Road	(725)	-	A virement is required due to realignment of budgets within overall project expenditure approval to reflect current spend profiles.
i54 Western Extension - Site Preparation Works	725	-	
Queen Street Gateway Townscape Heritage Project			
Queen Street Gateway Townscape Heritage Project - Project costs	(13)	-	A virement is proposed to reallocate underspend resources to provision for future programmes.
Provision for future programmes	13	-	
Targeted Disposals Programme			
Disposal of Heath Town Baths	(55)	-	A virement is proposed to reflect realignment of budgets relating to the Bilston Urban Village project.
Bilston Urban Village			
Bilston Urban Village - Public Open Space	55	-	
Schools Capital Maintenance - Heating Pipework Upgrades			
Lanesfield Primary - replace hot and cold water pipework	(41)	-	Virements are proposed to reallocate resources to utilise savings within the Schools Capital Maintenance Programme on heating and pipework upgrades, roofing and electrical works at various schools within the City.
Asmore Park Nursery - underfloor heating	(10)	-	
St Andrews Church of England Primary - HORSIA building heating	(6)	-	
Whitgreave Primary - replacment boiler	(3)	-	
Stow Heath Primary - hot water system	32	-	
Braybrook PRU - boiler replacement	28	-	
Schools Capital Maintenance - Roof / Ceilings Replacements			
Bilston Nursery - replacement roof tiles (Phase 2)	(51)	-	
Colton Hills Community School - new roofing	(2)	-	
West Park Primary - replacement roof covering	42	-	
St Andrews Church of England Primary - flat roof	11	-	
Schools Capital Maintenance - Electrical Works			
Christ Church Infants - electrical remedial works following periodic inspection	(11)	-	
Castlecroft Primary - remedial electrical work	(5)	-	
Penn Hall Special School - electrical remedial work	(3)	-	
Whitgreave Primary - electrical remedial work	(1)	-	
Graiseley Primary - remedial electrical work	10	-	
Dovecotes Primary - remedial electrical work	5	-	
Bushbury Nursery - remedial electrical work	3	-	
Westacre Infants - remedial electrical work	2	-	
Secondary School Expansion Programme			
Ormiston SWB Academy	(650)	-	A virement is proposed to reallocate resources due to the school expansion being cancelled at Ormiston SWB Academy.
Provision for future programmes	650	-	
Leisure Centres Enhancement			
Central Baths - Steam Room	(30)	-	A virement is proposed to reallocate resources for additional enhancements to convert office space into gym space to both increase capacity and facilitate greater social distancing owing
WV Active - Aldersley Leisure Village Enhancement	30	-	
Sports Investment Strategy			
Peace Green sport facilities	(50)	-	A virement is proposed to reallocate resources to facilitate cost of an acoustic wall that Council is obliged to erect at Our Lady and St Chad's school.
Synthetic Pitch at Our Lady & St Chad's School	50	-	
Active Travel Programme			
Cycling - Cycle Route Improvements	(17)	-	Virements are proposed to realign budgets within the overall EATF capital programme to reflect projected requirements on the projects within.
Emergency Active Travel Fund (EATF) Tranche 1			
Contra flow cycle lane in Darlington Street / Lichfield street and cycle park	(32)	-	
Gateway markings and arrangements at ring road access points to aid social distancing	(25)	-	
Victoria Street closure to motor vehicles and creation of a pedestrian / cycling zone.	43	-	
Lichfield Street, Queens Square and Darlington Street lane closure, removal of bays and seating	31	-	
Lighting up the City			
Project Management / Technical Support	(67)	-	Virements are proposed to reallocate resources across the schemes within the Transportation capital programme to cover expenditure.
Civic Halls	(20)	-	
Bollards	(5)	-	
Lighting up the City	88	-	
Integrated Transport			
Traffic Signs replacement	(30)	-	
Safety Programme			
Local Safety Schemes - TROs/ Signs&Guardrails / Road Markings	30	-	
Hare Street / Oxford Street - highway modifications	(61)	-	
Castlecroft area local safety improvement	(59)	-	
Provision for future programmes	115	-	
Bushbury Lane - crossing	5	-	
Transport Structural Maintenance			
Northcote Lane	2	-	
Network Development - Safer Routes to School			
School Gate Parking	2	-	
Accessing Growth Fund			
City North (A449) and City East Gateway (A454) - Major Scheme Development	(115)	-	A virement is proposed to reallocate resources due to a new grant award for City North (A449) and City East Gateway (A454) - Major Scheme Development.
Corporate Contingency			
Provision for future programmes	115	-	
Waste & Recycling Strategy			
Hickman Avenue Waste Site - building the bin stall	(3)	-	A virement is proposed to reallocate resources to accommodate works for Bilston and Wolverhampton Markets.
Markets			
Bilston Market - roof replacement	2	-	
Wolverhampton Market - drainage solution	1	-	
Leisure Centres Enhancement			
Central Baths - Plant Room Filters / Air Handling	(36)	-	Virements are proposed to reallocate underspent resources to Corporate Contingency for the provision for future programmes.
Bert Williams Enhancements	(1)	-	
Central Baths Enhancement	(1)	-	
Corporate Contingency			
Provision for future programmes	38	-	
Total General Revenue Account capital programme	(6,308)	6,308	

Virements for approval

Appendix 4

Capital project	Virement		Comments
	Existing project £000	New project £000	
Housing Revenue Account			
Re-allocation virements to new projects			
New Build Programme			
Provision for future programmes	(15,400)	-	
Heath Town Phase 3			
Provision for future programmes	(11,600)	-	
WVL Units			
Provision for future programmes	(2,500)	-	Virements are proposed to reallocate resources to support new projects within the HRA.
Heath Town New Build Programme			
Provision for future programmes	(3,000)	-	
Heath Town New Build Phase 1	-	9,500	
Heath Town New Build Phase 2	-	13,000	
Heath Town New Build Phase 3	-	10,000	
Estate Remodelling			
Provision for future programmes	(100)	-	A virement is proposed to reallocate resources to a new project required for surveyor and design works at New Park Village.
Estate remodelling - New Park Village	-	100	
Lift Improvements			
Jericho House	(250)	-	A virement is proposed to reallocate resources to support a new project required for refurbishment works at Jericho House.
Jericho House	-	250	
Re-allocation virements to existing projects			
Sustainable Estates Programme			
Provision for future programmes	(262)	-	A virement is proposed to reallocate resources due to the budget provision for Small Sites 5 project being made prior to the tendering contract exercise and therefore is expected to be insufficient.
Small Sites Programme			
Small Sites 5	262	-	
Project to project virements			
Sustainable Estates Programme			
Non Traditional Surveys Programme	(600)	-	Virements are proposed to reallocate resources due to an increased demand of the voids budget.
Refurbishment of Voids to Decent Homes Standard	(440)	-	
Refurbishment of Voids to Decent Homes Standard	1,040	-	
Lift Improvements			
High Rise Fire Safety Issues	(170)	-	A virement is proposed to reallocate resources for additional fire safety works.
High Rise Fire Safety Issues	170	-	
Total Housing Revenue Account capital programme	(32,850)	32,850	
Grand total	(39,158)	39,158	

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DATED

2020

(1) WALSALL METROPOLITAN BOROUGH COUNCIL

(2) THE BOROUGH COUNCIL OF DUDLEY

(3) THE BOROUGH COUNCIL OF SANDWELL

(4) WOLVERHAMPTON CITY COUNCIL

and

(5) BLACK COUNTRY CONSORTIUM LIMITED

**SUPPLEMENTAL DEED RELATING TO THE COLLABORATION AGREEMENT
IN RELATION TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
CITY DEAL AND GROWTH DEAL DATED THE 7 MAY 2014**

DATE

2020

PARTIES

- (1) **WALSALL METROPOLITAN BOROUGH COUNCIL** of Civic Centre, Darwall Street, Walsall, WS1 UP ('WMBC');
- (2) **THE BOROUGH COUNCIL OF DUDLEY** of The Council House, Priory Road, Dudley, West Midlands, DY1 1HF ('Dudley');
- (3) **THE BOROUGH COUNCIL OF SANDWELL** of Freeth Street, PO Box 2374, Oldbury, B69 3DE ('Sandwell');
- (4) **WOLVERHAMPTON CITY COUNCIL** of Civic Centre, St Peter's Square, Wolverhampton, WV1 1RG ('Wolverhampton'); and
- (5) **BLACK COUNTRY CONSORTIUM LIMITED** (Company Registration number 05159791) whose registered office is at The Deckhouse, Waterfront West, Dudley Road, Brierley Hill, DY5 1LW ('BCC').

BACKGROUND

- (A) The Parties are parties to a Collaboration Agreement dated 7 May 2014 (the 'Agreement') in relation to the Black Country Executive Joint Committee City Deal and Growth Deal for the collaboration, administration and the allocation by central government of funding across the Black Country area which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton and is known as 'City Deal' and 'Growth Deal'.
- (B) The Agreement amended in accordance with the content of a report approved by the Black Country Executive Joint Committee on 7 September 2016 delegated further powers to the Joint Committee from each Council's Cabinet to enable it to make decisions relating to funding applications into and funding received through or from the West Midlands Combined Authority.
- (C) The Agreement was amended in accordance with the content of a report approved by the Black Country Executive Joint Committee on 12 February 2020, including to: (i) incorporate all current and future funding opportunities secured or operated by or through the Black Country Local Enterprise Partnership (BC LEP); and (ii) widen the scope of the Agreement and a Deed of Variation dated 28 February 2020 to effect such changes.
- (D) The Parties have agreed certain principles and a framework which are to apply in managing the programme, funding and monitoring of the Black Country Enterprise Zone ('BCEZ') and have entered into this Deed to record such principles and framework and

to agree to follow and act in accordance with the same.

(E) This deed shall take effect on and from the date of this document (the 'Variation Date')

IT IS AGREED:

1. TERMS DEFINED IN THIS DEED

In this Deed:

- 1.1 Expressions defined in the Agreement and used in this Deed have the meaning set out in the Agreement:
- 1.2 The rules of interpretation set out in the Agreement shall apply to this Deed;
- 1.3 Headings are for convenience only and shall not affect the construction of this Deed.

2. SUPPLEMENTAL

- 2.1. This Deed is supplemental to the Agreement and sets out how the Parties shall act in relation to the Black Country Enterprise Zone which forms a further area for collaboration between the Parties.
- 2.2 In consideration of the Parties entering into this Deed, the Parties each agree that with effect from the Variation Date they shall, in relation to the Black Country Enterprise Zone, each act in accordance with the general principles of collaboration set out in the Agreement and shall further observe and perform and act in accordance with the principles set out the BCEZ Governance Principles as referred to in Clause 2.3 below.
- 2.3 The BCEZ Governance Principles as agreed between the Parties at the date hereof are set out in the Schedule to this deed but may be revised by written agreement between the parties from time to time, once approved by the Black Country Joint Committee.
- 2.4 The Parties further agree that the terms of the Agreement, except as supplemented by this Deed, are confirmed as if they were set out in this Deed in full and that such terms as so supplemented are for all purposes incorporated into this Deed.

3. GOVERNING LAW

This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

4. JURISDICTION

The Parties irrevocably agree that the courts of England and Wales shall have exclusive

jurisdiction to settle any dispute or claim arising out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims).

5. THIRD PARTY RIGHTS

A person who is not a party to this deed has no rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this deed and of the Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

THIS AGREEMENT has been executed and delivered as a deed by or on behalf of each of the Parties on the date stated at the beginning of this Agreement.

THE COMMON SEAL of

WALSALL METROPOLITAN BOROUGH COUNCIL

was affixed to this deed which

was delivered when dated in the presence of:

Authorised Signatory

**THE COMMON SEAL of THE
BOROUGH COUNCIL OF DUDLEY**
was affixed
to this deed
which was delivered when dated in the
presence of:

**THE COMMON SEAL of THE
BOROUGH COUNCIL OF
SANDWELL** was affixed to this
deed which was delivered when
dated in the presence of:

Authorised Signatory

THE COMMON SEAL of
WOLVERHAMPTON CITY
COUNCIL was affixed to this deed
which was delivered when dated in
the presence of:

Authorised Signatory

EXECUTED as a deed by **BLACK
COUNTRY CONSORTIUM
LIMITED** acting by a two Directors
or a Director and the Company
Secretary:

SCHEDULE

BCEZ Governance Principles

Governance Principles: Enterprise Zones

(Principles to form basis of a Collaboration Agreement across 4 Local Authorities and the PMO)

1. Background

- 1.1 This paper sets out the principles and framework for managing the programme, funding, and monitoring of the Black Country Enterprise Zone (BCEZ), including:
- The process for the collection and distribution of the Business Rates Uplift
 - The process for monitoring the Business Rate Uplift and transfer of Business Rates Surplus to the Single Accountable Body (SAB).
 - Collaborative working between Local Authorities (LA), including joint working on the Financial Model
 - Prioritisation of costs to be funded from business rates
 - Principles of borrowing, payback and the collection of surpluses or non-business rate income generation.
- 1.2 This paper must be considered in conjunction with the Black Country LEP Assurance Framework (BCAF), as BCEZ funding must be compliant with this framework. The BCAF defines the officer and member groups referred to as part of its governance processes.

2. Definitions

- 2.1 **Business Rates** means the tax or taxes levied on non-domestic premises based on a local valuation of premises in accordance with The Local Government Finance Acts 1988 or such other act or regulation, statutory instrument as is currently in force.
- 2.2 **Business Rates Baseline Assessment** means the Business Rates assessment in respect of the Sites as at 31 December 2011 and 31 December 2016 for WWEZ and DY5 respectively, as approved by DCLG.
- 2.3 **Business Rates Uplift** means the Business Rates collected by Local Authorities at the end of each financial year above the Business Rates Baseline Assessment in respect of the Sites, net of bad debts and reliefs that are not recoverable from Government.
- 2.4 **Business Rates Surplus** means the net Business Rates Uplift remaining after deducting costs approved by the LEP, including but not limited to the repayment of Borrowing costs (capital repayment and interest) and revenue costs.

- 2.5 **Financial Model** means the excel based financial model developed and designed by Cushman and Wakefield, and used by each Local Authority and the SAB to forecast business rate uplift projections, costs, borrowing costs and Business Rates Surpluses within the BCEZ.
- 2.6 **Grant** means funds approved by the BC LEP and offered to either (i) a third party that is not subject to the Black Country Joint Committee Collaboration Agreement or (ii) a local authority where there are specific terms and conditions that fall outside of the BCEZ Collaboration Agreement,
- 2.7 **Income generation** means the surplus or a profit generated as a result of EZ funding or borrowing supported by EZ funding, identified by the SAB's professional technical advisors as part of the project's due diligence assessment.
- 2.8 **NNDR1 Forecast** means the National Non-Domestic Rates Provisional Return form designed to calculate and report the LA's estimated amount of non-domestic rates it will collect each financial year.
- 2.9 **NNDR3 Outturn** means the National Non-Domestic Rates Outturns form designed to reconcile and report the LA's actual non-domestic rates collected.
- 2.10 **Surplus Sites** mean BCEZ sites that are forecast to create a net Business Rates Surplus on a stand alone basis. These sites create excess business rates by the end of the relevant enterprise zone, after taking into account borrowing costs. These sites therefore self-fund over the BCEZ lifetime, and create additional funding that can be re-invested into BC LEP priorities.
- 2.11 **Deficit Sites** mean BCEZ sites where the borrowing costs are forecast to exceed the business rates generated by the end of the relevant enterprise zone. These sites would require cross-subsidy from other surplus generating sites in the BCEZ, or alternative funding in order to be delivered/fully funded.

3. **Governance**

- 3.1 Projects/sites seeking investment via the BCEZ will be required to submit an Initial Proposal (IP) to PMO for review, in line with the existing Black Country Assurance Framework (BCAF).
- 3.2 The IP financial information must be as recorded in the BCEZ Financial Model, so that the Programme Management Office (PMO) at BCC and the SAB can understand the funding ask in the context of the wider model outputs. If in drafting the IP the LA or PMO

consider that the Financial Model needs updating, the relevant LA must update the template data tabs and submit these to the SAB prior to submission to the PMO.

- 3.3 If the IP is supported and the Financial Model is forecasting that funding is available to support the investment (or any other BCLEP funding is available), the project will follow the BCAF process (section 4.16 Project Lifecycle).
- 3.4 All Assurance Framework report templates will be updated for risks and financial implications specific to the Enterprise Zones funding mechanism.

4. Roles and Responsibilities

- 4.1 **BC LEP:** In accordance with BCEZ bid submissions and memorandums of understandings with the Cities and Local Growth Unit (CLGU), the BCLEP Board will make strategic investment decisions in relation to the BCEZ, including reinvestment of retained business rates and prioritisation of BCLEP funds to ensure BCEZ delivery.
- 4.2 **BC Pipeline:** The list of priority Black Country pipeline projects initially developed by the Black Country Pipeline Group, a time limited task and finish group set up by The Association of Black Country Authority (ABCA) Leaders. ABCA tasked the LEP and four Black Country Local Authorities to review Delivering the Black Country Priorities with a view to refreshing the pipelines. Although the group is time-limited, the BC Pipeline will be an ongoing and live set of pipeline projects, refreshed on an ongoing basis by the Local Authorities and the BCC.
- 4.3 **Local Authorities** are responsible for:
 - The day to day running and management of sites within the BCEZ within their own geographical area, including engagement with land owners, project management (including obtaining specialist consultancy and legal support where required), financial modelling and marketing.
 - Producing business cases as landowner/project lead, or supporting private land owners/developers in preparing business cases, for investment falling in their geographical area. Financial modelling completed as part of the business case must be shared with the SAB at the earliest opportunity so that the master Financial Model can be updated.
 - Borrowing for projects that have been approved by the BCLEP that fall within their geographical area. For the avoidance of doubt each Local Authority will remain

responsible for repayment of its own borrowings and meeting associated interest and loan servicing costs.

- Collecting the Business Rates for those Sites within their own Borough in accordance with the Local Government Finance Acts (Local Authorities are empowered under The Local Government Finance Act 2012 to retain and distribute business rates revenues from April 2013 and the Programme is in accordance with the Local Government Act 2000, The Localism Act 2011 and the Non-Domestic Rating Contributions (England) (Amendments) Regulations 2012).
- Prepare and submit financial returns/claims, with supporting evidence as required in Section 8.
- Transferring the Business Rate Surplus to the SAB in accordance with Section 8.
- Providing quarterly information to the PMO as required for reporting to Business Energy and Industrial Strategy (BEIS). This information must reflect information as reported in the Financial Model, and must be submitted at least 10 working days in advance of any reporting deadlines as set by the department for BEIS.
- Updating the input tabs to the Financial Model and reporting changes to the SAB as changes become known (i.e. as per 3.2) but as a minimum on a quarterly basis, at the same time as information is submitted to the PMO for BEIS returns.

4.4 The **Programme Management Office** at the Black Country Consortium are responsible for:

- Supporting the Local Authorities with consolidated and individual site marketing of the BCEZ.
- Co-ordinating quarterly returns to BEIS, for the SAB to review and sign off prior to submission by the PMO.
- The production and publication of the monthly BCEZ dashboard, working in collaboration with the LAs, with information to be provided by the LA EZ lead officers.
- The assessment and review of any full business cases for any BCEZ sites that come forward for development and investment. This may include and is not limited to independent appraisals by Thomas Lister and direct liaison with any applicants.

- Should any BCEZ sites be put forward for funding approval to the Funding sub group and subsequent boards, this will require the PMO to prepare any reports required to ensure that the approval process is adhered to and compliant with the Assurance Framework. In accordance with the Assurance Framework, the full business case shall include a named Senior Responsible Officer for that site.

4.5 The **SAB** is responsible for:

- Ensuring that decisions made by the BCLEP are carried out in line with the Assurance Framework and any other BCLEP approved governance arrangements
- Carrying out the secretariat function to the Joint Committee for BCEZ matters.
- Reviewing and signing off quarterly BEIS returns prepared by the PMO.
- Ownership and updating of the Financial Model. SAB will hold and maintain the Master version.
- Maintaining a consolidated running balance of the total Business Rate Uplift collected and transferred by and between the Parties and the total Borrowing position. Ensuring that costs across the BCEZ are claimed in line with the agreed priority order (Table 1).
- Reporting to the BC Implementation Group (as defined in the Assurance Framework), and any group within the Assurance Framework as considered necessary, on the latest consolidated BCEZ financial position, including business rate uplift, expenditure, risk, borrowing and business rate surplus position when there are significant changes.
- Undertaking monitoring and compliance procedures on projects within the BCEZ in accordance with the Assurance Framework, or any other BCLEP approved governance processes.
- Providing legal and financial and other professional assistance specific to BCEZs to the Black Country Implementation Group if required
- For the avoidance of doubt the SAB will be a formal consultee on reports submitted into the process, up to and including the LEP's Funding Sub Group and LEP Board, together with the BC Joint Committee as set out within the Assurance Framework, and be able to suggest amendments. All amendment will be agreed with the report

author or other appropriate officer on their behalf. If there are disagreements about suggested amendments, this will be escalated to the Chief Executive of BCC Ltd to resolve.

5. Financial Model

- 5.1 The Financial Model is based on a set of financial assumptions, including level of provisions for business rates income and capital expenditure, borrowing assumptions and interest rates. The SAB will review the assumptions on a timely basis to consider if they are still appropriate as the BCEZ evolves over time. Other Local Authorities within the EZ will be consulted on proposed changes and model assumptions will only be updated if mutually agreed by all parties.
- 5.2 If changes to assumptions have a material impact on the outputs of the Financial Model, including the Business Rate Surplus, these changes will be reported to the next available BCEZ Implementation Group, and BC Funding Sub-Group that timescales allow before any further funding decisions are made.
- 5.3 Each Local Authority is responsible for updating the model input tabs when (a) actual spend replaces forecasts and (b) forecast change, and returning these amended tabs to the SAB quarterly, at the same time information is submitted to the PMO for BEIS returns. This includes ensuring Business Rates income data is updated to reflect NNDRs
- 5.4 As a result of Local Authorities owning and updating their own input tabs, each Local Authority will have their own version of the Financial Model for their own geographical area although the consolidated model will be shared regularly or on request.

6. Eligibility and priority order of costs

- 6.1 The Financial model assumes that prudential borrowing will be utilised to fund otherwise unfunded capital costs approved by the BCLEP, which will be repaid using the future business rates uplifts generated within the BCEZ. Borrowing must only be undertaken for costs which meet International Financial Reporting Standards for capitalisation. All other costs will be considered to be Revenue Costs.
- 6.2 Such capital infrastructure may include, but is not limited to: Remediation; Site access (including third party acquisitions); Utilities; Land Assembly; Site preparation; On or off-site works that may be required by a Planning Permission; the Highways Agency; the Environment Agency; Canal and River Trust; and other utilities and statutory bodies or any other works reasonably required.

6.3 Revenue costs may still be recovered from future business rates but not via borrowing and are also subject to BCLEP and BCJC approval. Such costs may include those incurred by LAs, the PMO and the SAB to carry out their responsibilities in accordance with Section 3. This includes the LA five year development funding allocation of up to £250,000 per annum included in the financial model. Any revenue costs incurred by LAs or the BCC will need to be cash-flowed by the entity in which they are incurred until there is sufficient Business Rates generated to repay them, in the priority order as set out in Table 1 (6.4).

6.4 The priority order of costs to be allocated to business rates is set out in Table 1 below:

#1	Borrowing costs surplus sites approved by the BC LEP before 30 April 2020. (CAPITAL)	LAs are already taking the risk on these sites and without these being delivered, EZ surpluses would not be generated. This category includes i54, Phoenix 10, Boxpool. Borrowing costs will be recovered over the life of the BCEZ, as set out in section 7. Note that these sites would not receive cross subsidy if they became deficit sites unless cross subsidy is approved by the BC LEP. See point 8.9 below.
#2	Historic revenue costs up to 2019/20 where previous agreements are in place (REVENUE)	This is specifically Dudley historic revenue costs, which were included in the DY5 submission. Posts were appointed on this basis, hence basis for higher rank than other historic revenue costs. These costs are covered by DY5 business rates by 2020/21.
#3	Programme Management costs from 19/20 onwards (REVENUE)	SAB and PMO programme management costs, as there are no existing budgets to fund these costs. Also covered by recent MHCLG guidance on Assurance Framework.
#4	Black Country Transport Director costs	Transport Director costs for 4 years from 2021/22, where no alternative funding has been identified.
#5	Historic revenue costs to March 2020 (REVENUE)	Covers Wolverhampton Council and Walsall Council audited historic costs.. Historic costs are to be recovered over 10 years from 2020/21.

#6	Future revenue costs from April 20 onwards (REVENUE)	<p>This includes the following based on the Financial Model's rolling forecast:</p> <ul style="list-style-type: none"> • Up to £250,000pa development funding per Local Authority for 5 years from 2020/21. • Up to £10,000pa compliance and monitoring costs per LA after the 5 year period ends. <p>This is for development of named projects in the BC Pipeline and/or development of BCEZ sites including marketing. It must also cover EZ monitoring and compliance costs. If unused, it may be permitted to roll these budgets forward but only if it is considered critical to bringing key BC schemes forward. Allocations, variations and slippage will be approved by the BC LEP.</p>
#7	Borrowing costs on future LEP approved priority projects (CAPITAL)	<p>Investment could be in EZ deficit sites or non-EZ sites, but must be integral named sites mapped as part of the BC pipeline.</p> <p>Parameters of prioritisation of #7 projects will be approved by the BCLEP and the Local Authorities prior to the first #7 project being approved.</p>

6.5 BCEZ Surplus Sites yet to be approved can proceed outside of the prioritisation process, as these are forecast to be self-funding, plus will add a Business Rates Surplus to the BCEZ. Borrowing costs would only be recovered by the relevant LA in line with modelling of that site on a stand alone basis. There would be no further cross subsidies from the BCEZ and the risk of delayed recovery would sit with the sponsoring LA. These projects would also need oversight through the BC Pipeline group until that group ceases.

6.6 This means that surpluses generated across the BCLEP will be available to support BCEZ Deficit Sites or non-BCEZ sites, rather than being utilised to accelerate borrowing payments for surplus generating sites. For the avoidance of doubt, the implication of this is that LAs will only recover modelled and approved borrowing costs on an Equal Instalment of Principal (EIP) basis rather than a priority basis, meaning that there will be debt outstanding as surplus is accumulating and reinvested by the BCLEP.

6.7 The following conditions apply to any projects funded from the BCEZ:

- Projects must be in BC pipeline as a named key project, prior to seeking LEP approval.
- EZ should be funding of last resort. It must be demonstrated that all reasonable effort has been made to secure external funding prior to utilising EZ funding. This is to ensure the funding available to the BC LEP is maximised.
- Income generation on funded projects must be recycled back to the BCEZ or LEP funds. This will be agreed on a project by project basis, as advised by the SAB's professional technical advisors as part of the project's due diligence assessment

6.8 Applicants seeking funding support for projects that sit outside of the BCEZ boundaries, resulting in the BC LEP not receiving any Business Rate income from their investment, will be asked to set out what Income Generation is expected, together with proposals for sharing this Income Generation with the BC LEP.

7. Borrowing Principles

7.1 The model has fixed borrowing assumptions which at the date of this report are as follows:

- Borrowing is repaid on an EIP basis
- Interest rate forecast set at 4% rate
- Loan period commences in the year of investment and repayments are equally spread in half year instalments until the end date of either the WWEZ or DY5, depending on which location the investment is incurred.

The SAB may review the above assumptions in consultation with other LA as set out per 5.1. All site capital investments will be modelled based on the fixed borrowing assumptions for the purpose of seeking BCLEP approval.

7.2 Reports to the BCLEP seeking approval for capital investment should set out the borrowing profile as extracted from the Financial Model.

7.3 Local Authorities will follow their own Treasury Management rules and processes to take the most efficient loan or other method of financing the capital costs. It is therefore understood that actual borrowing undertaken by a Local Authority may not necessarily match the modelled assumptions, but claimed amounts will be based on the financial

model.

- 7.4 The interest rate in the financial model will be updated annually to a blended average interest rate for that financial year agreed by all LAs, which is supported by published rates. This will be the rate used for claiming borrowing costs (section 8), so that modelled and claimed interest will match actual interest costs as closely as possible.
- 7.5 Claiming borrowing costs on a blended average rate is the simplest approach for Local Authorities recovering their borrowing costs.
- 7.6 In the event that interest rates significantly change which results in a material variance between actual interest rates and claimed interest rates, then the approach and policy as stated in 7.4 will be reviewed by all 4 LA finance representatives and the policy will be amended so that the gap becomes immaterial.
- 7.7 For the avoidance of doubt, due to
- (i) the complexities of identifying actual borrowing costs incurred at Local Authorities due to their Treasury departments using a blend of resources depending on their cash-flow at a particular point in time;
 - (ii) the complexities in managing and updating a financial model using different types of borrowing (i.e. EIP, priority repayment and annuity loans) for each individual item of capital expenditure
 - (iii) seeking to match the actual surplus being generated as close as possible to the forecast surplus

the borrowing costs will be claimed back on the EIP basis and set interest rate as modelled.

- 7.8 The Local Authorities will be responsible for updating the Capital input template for actual capital costs, and this will be reviewed by the SAB.
- 7.9 Borrowing costs of each LA may be claimed from Business Rates Uplift collected by each LA on the agreed priority order from Table 1, on the basis that the investment is within the same geographical area. This is set out in the Claims process (section 8).
- 7.10 Repayment of borrowing costs are based on the financial model but Local Authorities must understand and accept that this is only a forecasting tool. Actual Business Rate Surpluses may differ to modelled surpluses meaning that Local Authorities may not recover their borrowing costs in line with the model forecast at the time of the funding

decision. Therefore, borrowing costs being recovered over a longer period than forecast and potentially not completely is a risk that will sit with each Local Authority borrowing for investment in their geographical area.

7.11 On this basis:

- Local Authorities will carry the risk on borrowing being repaid over a longer period than forecast for surplus sites within their geographical area. This will be somewhat mitigated by robust modelling and prudent assumptions being included for investment decisions, meaning LAs will be fully aware of the risks at the point of investment.
- Non EZ sites and EZ deficit sites will be reliant on surpluses forecast on other sites being realised, after minimum borrowing costs being recovered for approved surplus sites. Options include waiting until surplus is sufficient to fund the next priority investment before incurring spend, or a LA would be required to borrow at risk against a future forecast surplus.

8. Claims process

- 8.1 Each LA will be required to submit a Claim form to the SAB every 6 month by 28 February and 31 August. This return will set out capital and revenue expenditure charged to the BCEZ, Borrowing costs claimed, Business rates Uplift and Business Rates Surplus.
- 8.2 The first return shall include historic information as required per 8.1 from the start of the Enterprise Zone up to the date of the first claim.
- 8.3 The audited NNDR 3 should be submitted with the August claim and agree or reconcile to the August claim. Local Authorities will be responsible for setting their own provisions per their NNDRs although details on provision assumptions included against Enterprise Zone business rates in the NNDR will need to be provided as part of this return.
- 8.4 The SAB will then complete a consolidated summary of income and costs to date, based on LA bi-annual returns, and will allocate income to costs in the agreed priority order (Table 1). Any shortfall falling in a cost category will be prorated across the 5 entities (shortfall as % of total requirement), and will be recouped on the next claim if there is sufficient funds.

- 8.5 If a shortfall is identified on the consolidated summary, the business rates on the next claim (“new period”) will first be applied to Category #1 in Table 1 (Borrowing costs surplus sites approved by the BC LEP as at 30 April 2020), in that same new period. The next priority will be backdating shortfalls for cost categories on the previous claim/period in the same priority order. Once shortfalls have been met from the previous period, the rates income will then be applied to cost categories #2 to #7 in the usual way. In the event of a shortfall, the SAB, in consultation with the PMO, will reassess the financial model to confirm if this is a temporary in-year issue that will correct the following financial year, or if the costs are becoming unaffordable or need rephasing. If it is the latter, then this issue will be raised at the earliest opportunity through the BC Pipeline Group (until this group exists or its equivalent), and Heads of Regeneration, to consider collectively if revenue cost allocations need to be re-assessed, either short term or long term. However, with regular (minimum quarterly) updates to the financial model by LAs and review on a consolidated basis by the SAB, forecast deficits should be flagged and early warnings triggered in advance.
- 8.6 For Category 7, when there are multiple projects within this category, shortfalls will be applied to projects within this Category on a prorated basis, in proportion to the amount of gross capital investment (borrowing requirement), unless agreed otherwise through the BC Pipeline Group, and Heads of Regeneration. This will then require approval by the BCLEP.
- 8.7 The consolidated summary and reconciliation will be completed prior to any surplus being paid to the SAB. The SAB will then confirm cash transactions between LAs required to settle the order.
- 8.8 Where there is cross-subsidy of projects across different geographical areas (i.e. for sites that generate a net Business Rate deficit), the SAB can only pay across a surplus it holds where there is actual business rate surplus collected in real cash terms, and only in accordance with the priority order. The SAB will not be using its own Council revenue resources to pay for another Local Authority borrowing costs. This surplus will be paid across to Local Authorities in the priority order as set out in Table 1.
- 8.9 For sites that were forecast to generate a surplus at the time of an investment decision that turn into a deficit generating site, the non-recoverable costs will be borne by the Local Authority until the BCLEP approve the additional costs should funding be available. These additional costs will need to be assessed and prioritised against other projects in the BC Pipeline.

- 8.10 The Local Authority will provide transaction lists supporting the Capital and Revenue Expenditure lines in the Claim form. A sample of charged expenditure will be selected by the SAB, for which the relevant LA will be required to submit supporting evidence. The sample size will increase if errors are identified or there is insufficient evidence supporting the costs.
- 8.11 Each Local Authority or the PMO shall be liable for any cost implications or irregularities or errors attributable primarily to it and identified. Any changes required will need to be processed through the Change Control process within the Assurance Framework.
- 8.12 The SAB will maintain a running balance of the total Business Rate Uplift collected and transferred by and between the Parties and the total Borrowing position.
- 8.13 Evidence for Capital Expenditure should be third party evidence where available i.e. invoices, contractor certificates. No evidence for defrayal is required unless only internally generated evidence can be provided for capital expenditure. Internal staff costs charged to capital should be on the basis that the staff time is clearly attributable to the site and meets Capital rules. Therefore, time recorded should be supported to timesheets.
- 8.14 Third party evidence will also be required to support revenue costs. For internal management costs, evidence to support staff time claimed as a true and fair assessment of time spent on the Enterprise Zone will be required. Although time sheets would be the most desired form of evidence it is understood that this is not always a practical, time efficient method of claiming staff time. Therefore, staff should be able to demonstrate through other evidence over a fixed period of time (i.e. calendar invites or outputs) that the proportion claimed is a reasonable assessment of time attributed to the Enterprise Zone or eligible BC Pipeline projects. Once sampled and evidence is satisfactory, such staff apportionment evidence relating to a particular post will not be selected in further samples or require evidence for a period of no less than one year, unless the SAB becomes aware of a change in role of the sampled officer.

9. Grant Agreements

- 9.1 Local Authorities will be required to borrow for projects in their Geographical area.
- 9.2 Local Authority projects: Once the Collaboration Agreement is in place, there will be no requirement for additional funding agreements between LAs to cover revenue costs or borrowing undertaken for a project. Funds will be managed through the claims process in section 8, although if there are project specific terms and conditions that fall outside of this BCEZ Collaboration Agreement, including but not limited to such overage or profit share then individual legal agreements and undertakings will be put into place.
- 9.3 Non - Local Authority projects: Individual LAs will enter into grant agreements with third party applicants in their geographical area where borrowing is required to fund the grant. Because LAs will be taking the risk on the non-recovery of the borrowing which funded the grant, they will need to control some of this risk through their own grant agreements with applicants. This will enable them to set their own grant conditions in addition to those set out in 9.5 below.
- 9.4 The grant agreements must:
- (a) comply with the BCAF, including all monitoring and compliance arrangements that will be carried out by the SAB
 - (b) comply with the BCEZ legal agreement / collaboration agreement that will be based on this report.
 - (c) capture any conditions as set out in the Technical Appraisal and LEP Board approvals
 - (d) where possible, and where LAs consider necessary to manage their risk of non-recovery of borrowing costs, specifically ensure that there is onus on the applicants to deliver on the business rates payable, which is ultimately funding the scheme
 - (e) ensure that the necessary security arrangements are in place to manage local authority and BCLEP risk, proportionate to the value of the grant
- 9.5 Prior to entering into a grant agreement the Local Authorities must carry out the appropriate due diligence and obtain evidence of any other match funding.
- 9.6 Although the Local Authorities will be responsible for issuing the grant to third parties in their geographical area, the SAB would be able to support the drafting and development of the grant agreements should Local Authorities wish to purchase this service.

9.7 If however a project (either Local Authority or non Local Authority) is awarded a grant from the business rates surplus and borrowing is not required, then a grant agreement will be put in place by the SAB.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 November 2020
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Report title	Treasury Management Activity Monitoring – Mid Year Review 2020- 2021	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	30 October 2020
	Council	18 November 2020
	Our Council Scrutiny Panel	25 November 2020

Recommendations for decision:

That Cabinet recommend that Council is asked to note:

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 will lower the minimum sovereign rating in the Annual Investment Strategy in line with the delegated authority approved by Council on 17 July 2020.

Recommendation for noting:

That Cabinet is asked to note:

1. The financial information included in this 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 will be presented to Council on 18 November 2020.

1.0 Purpose

- 1.1 The report provides a monitoring and progress report on treasury management activity for the second quarter of 2020-2021 as part of the mid-year review, in line with the Prudential Indicators approved by Council in March 2020.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirements of the Code please refer to the Treasury Management Strategy 2020-2021 report which can be accessed online on the Council's website by following the link:

<https://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=11872&Ver=4>

- 2.2 Treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 2.3 The system of controls on local authority capital investment is based largely on self-regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.
- 2.4 Cabinet / Cabinet (Resources) Panel receive quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by Council.
- 2.5 The Council continues to use Link Asset Services as its treasury management advisors throughout 2020-2021. Link Asset Services provides market data and intelligence on which the Council can make decisions regarding all aspects of treasury management activities and in particular, managing the risks associated with investing surplus cash.

3.0 2020-2021

- 3.1 The forecast outturn for treasury management activities in 2020-2021 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and forecast outturn 2020-2021

	Approved Budget £000	Forecast Outturn £000	Variance at Quarter two £000
General Revenue Account	36,835	35,050	(1,785)
Housing Revenue Account	10,923	10,241	(682)
Total	47,758	45,291	(2,467)

- 3.2 Overall, underspends of £1.8 million for the General Revenue Account and £682,000 for the HRA are projected for the year 2020-2021.
- 3.3 The main reasons for the underspend for the General Revenue Account are a reduced borrowing need in year 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. This is offset by a reduction in treasury income receivable. Due to the uncertain economic climate due to Covid-19, it is likely that the outturn forecast will be subject to change during the financial year.
- 3.4 The forecast underspend will be considered more fully and in context of the whole General Fund budget in the 'Draft Budget and the Medium Term Financial Strategy for the period of 2021-2022 to 2023-2024' report to Cabinet also on the agenda for this meeting.
- 3.5 The Council's strategy is to continue to use cash balances to finance capital expenditure rather than external borrowing. Borrowings are actively managed to achieve savings wherever possible.
- 3.6 Appendix 1 shows a comparison of the latest estimates of Prudential and Treasury Management Indicators over the medium term period with the equivalent figures which were approved by Council in March 2020.

4.0 Borrowing forecasts for 2020-2021

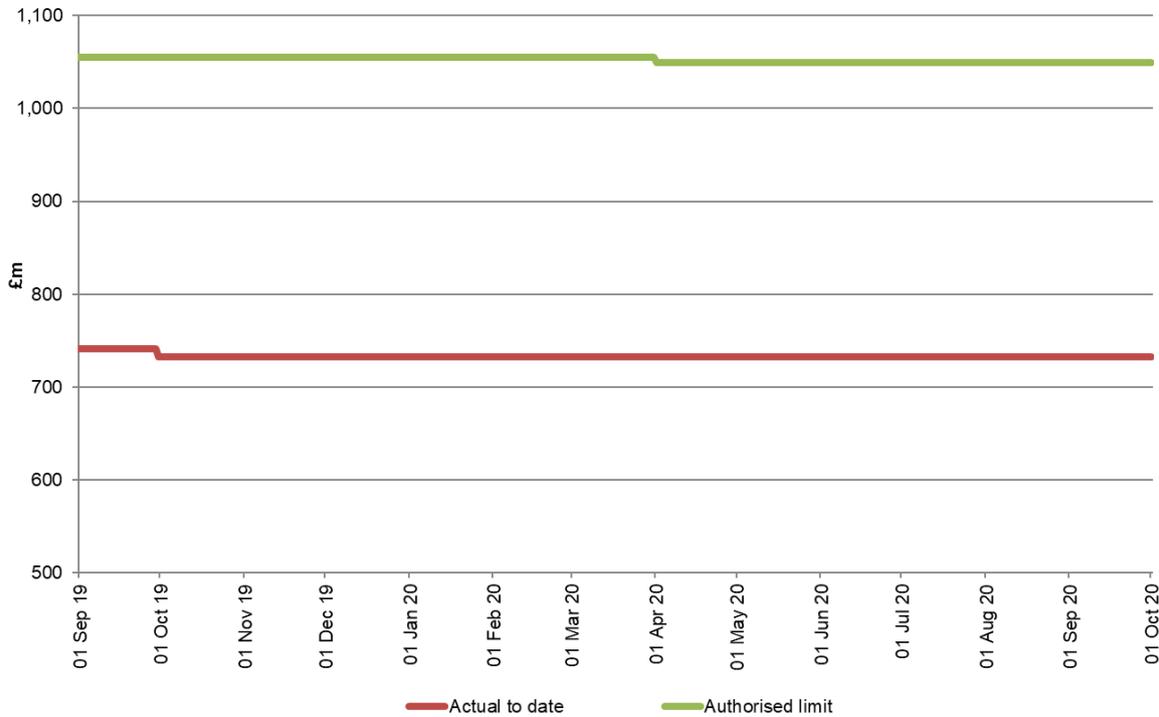
- 4.1 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.2 Table 2 shows the average rate of interest payable in 2019-2020 and forecast for 2020-2021.

Table 2 – Average interest rate payable in 2019-2020 and 2020-2021

	2019-2020 Actual	2020-2021 Forecast
Average Interest Rate Payable	3.74%	3.74%

- 4.3 Each year it is necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. The Council’s policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement.
- 4.4 Decisions to take borrowing will be made by the Director of Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix 2 to this report shows the maturity profile of external borrowing.
- 4.5 As always, the Council needs to be mindful that the opportunity to secure short term efficiencies by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. Appendix 3 to this report includes the Link Asset Services interest rate forecast for quarter two 2020-2021 which forecasts that interest rates across all periods will slowly increase up to March 2023. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.6 The Council’s borrowing profile continues to operate within the overall limits previously approved by Council, as shown in Chart 1.

Chart 1 – Comparison of borrowing within approved borrowing limits over the previous 12 months



4.7 The level of borrowing at 30 September 2020 is £732.9 million, appendix 4 to the report shows a summary of this position. During quarter two no new loans or repayments have occurred, £12.5 million of existing borrowing is due to be repaid in quarter four.

4.8 In March 2020, Council approved a net borrowing requirement for 2020-2021 of £154.7 million. The forecast net borrowing requirement for 2020-2021 is £60.9 million, as shown in appendix 5. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal PWLB rates.

5.0 Investment forecast for 2020-2021

5.1 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.

5.2 Table 3 shows the total amount of surplus funds invested as at 31 May 2020 and 30 September 2020.

Table 3 – Total amounts invested 2020-2021

	31 May 2020 £000	30 September 2020 £000
Business Reserve Accounts	339	293
Money Market Funds	21,405	3,150
Total invested	21,744	3,443
Average cash balance for the year to date	47,136	29,918

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access.
- 5.4 The Council's cash flow balance for the second quarter of the current financial year has moved between a low of £1.9 million and a maximum of £31.1 million. The average cash balance for the quarter being £17.8 million.
- 5.5 Table 4 shows the budgeted average rate of interest receivable in 2020-2021 and the forecast for the year.

Table 4 – Average interest rate receivable in 2020-2021

	2020-2021 Budget	2020-2021 Forecast
Average Interest Rate Receivable	0.70%	0.20%

- 5.6 At the time the budget was set a prudent percentage was used for budgeting purposes, however, since the Covid-19 pandemic the interest rates available for investments has decreased significantly. With the current uncertainties it is increasingly difficult to forecast future investment rates that could be achieved, in order to be prudent, a lower rate is forecast based on the decreasing rates achieved up to 30 September 2020. The impact of this reduction will be monitored throughout the year; however, this loss of income will be offset against the savings generated by avoiding the cost of borrowing, due to re-phasing in the capital programme and lower borrowing interest rates.
- 5.7 In recent months there has been some discussion in the financial market regarding negative interest rates, which encourages lending and discourages investments. This has not impacted on our investments.
- 5.8 The last monitoring report highlighted that Fitch (one of the three credit rating agencies) had downgraded the UK's sovereign rating from AA to AA- due to the unprecedented impact of the Covid-19 pandemic on the economy. The Council's Annual Investment Strategy sets the minimum sovereign rating of AA with regard to the Council's investment lending list. As the two other credit rating agencies (Moody's and Standard & Poors) had

kept their UK sovereign rating equivalent to AA the Annual Investment Strategy didn't require amendment. If they did also downgrade the UK's sovereign rating, the Council's bank account provider, National Westminster Bank plc, would no longer have met the current approved minimum sovereign rating. Therefore, to ensure that National Westminster Bank plc remained on the lending list, in the event that the UK sovereign rating was downgraded by Moody's and Standard & Poors, delegation was sought to enable the minimum sovereign rating to be lowered by the Director of Finance in a timely manner. This delegation hasn't been utilised in quarter two, however, on 16 October 2020 Moody's downgraded the UK's credit rating and it is currently under review by Standard & Poors. If Standard & Poors do also downgrade the rating the Director of Finance will be required to use the delegated authority to lower the minimum sovereign rating in the Annual Investment Strategy.

- 5.9 While investment rates continue to be below long term borrowing rates, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external borrowing (this is referred to as internal borrowing).
- 5.10 The Council manages its investments in-house and invests only in the institutions listed in the Council's approved lending list, which is reviewed each time a counterparty is subject to a credit rating amendment. The Council's strategy allows for investments for a range of periods from overnight to five years, depending on the Council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient liquidity whilst total investment levels are relatively low, investments have been placed for shorter durations.
- 5.11 The approved Treasury Management Code of Practice sets out the criteria to be used for creating and managing approved counterparty lists and limits. As a result of any changes to credit criteria, the Director of Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix 6 to this report shows the Council's current specified investments lending list.
- 5.12 In quarter two 2020-2021 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counter-parties.

6.0 Evaluation of alternative options

- 6.1 As this is a monitoring report of treasury management activities undertaken in line with the approved Treasury Management Strategy for 2020-2021, there are no alternative options available.

7.0 Reasons for decisions

7.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy for 2020-2021.

8.0 Financial implications

8.1 The financial implications are discussed in the body of this report.
[SH/21102020/D]

9.0 Legal implications

9.1 The Council's treasury management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition, the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

9.2 Treasury management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

9.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains treasury management indicators and advice on treasury management strategy. Investment strategy is regulated by 'MHCLG Guidance on Local Government Investments' issued initially in 2004 and reissued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.
[TS/26102020/W]

10.0 Equalities implications

10.1 There are no equalities implications arising from this report.

11.0 Climate change and environmental implications

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

12.0 Human resources implications

12.1 There are no human resources implications arising from this report.

13.0 Corporate landlord implications

13.1 There are no corporate landlord implications arising from this report.

14.0 Health and Wellbeing Implications

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

15.0 Covid Implications

- 15.1 In quarter two, due to Covid-19, there has been re-phasing of the capital programme which reduces the borrowing need in year. This is to reflect new timescales for completing projects to take into account work starting again on sites and any social distancing measures which may be required. As Central Government initiatives start to reduce e.g. furlough scheme, the Council is monitoring its cash balances to see how this may affect the cash that it receives from local taxpayers etc. Any pressure in this area may have a negative impact on the Council's cash flow balances which may require borrowing to be undertaken sooner than planned to temporarily fund revenue costs.
- 15.2 As highlighted in the last monitoring report, Covid-19 has impacted on the economy resulting in lower interest rates being available for investments and may affect the UK's sovereign rating. So far two of the three rating agencies have reduced the UK's rating, if the remaining third agency follows suit the Council's minimum sovereign rating will need to be lowered to allow the Council's bank to remain on the lending list. The impact on the treasury management budget of the reduced interest rates available for the Council's investments will be closely monitored.
- 15.3 The Council has agreed variations to loans provided to the Council's wholly owned housing company, WV Living. There is no detrimental impact on the Council's budget over the medium term, however it will impact on short term cash balances.

16.0 Schedule of background papers

- 16.1 Cabinet, 19 February 2020 – [Treasury Management Strategy 2020-2021](#)
- 16.2 Cabinet, 8 July 2020 – [Treasury Management – Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021](#)
- 16.3 Individual Executive Decision Notice, 1 July 2020 – Capital Repayment Holiday WV Living
- 16.4 Individual Executive Decision Notice, 21 July 2020 – Capital Repayment Holiday WV Living

17.0 Appendices

- 17.1 Appendix 1 – Prudential and Treasury Management Indicators
- 17.2 Appendix 2 – Borrowing maturity profile
- 17.3 Appendix 3 – Link interest rate forecasts
- 17.4 Appendix 4 – Borrowing type, borrowing and repayments
- 17.5 Appendix 5 – Disclosure for certainty rate
- 17.6 Appendix 6 – Lending list

Prudential Indicators (PI) required by The Prudential Code

PI for Prudence - Ensuring that external debt is sustainable and compliance with good professional practice are essential features of prudence.

PI 1 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the quarter two capital budget monitoring 2020-2021 report.

	Approved by Council 4 March 2020			As at 30 September 2020		
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000
General *	168,620	56,009	15,474	94,469	151,007	31,522
HRA	79,708	82,828	83,790	56,742	90,705	83,990
	248,328	138,837	99,264	151,211	241,712	115,512
* Commercial activities / non-financial investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc.	27,257	10,000	10,000	8,300	23,057	10,000

PI 2 - Estimates and actual capital financing requirement General and HRA.

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.

	Approved by Council 4 March 2020			As at 30 September 2020		
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000
General *	740,334	730,838	710,618	677,453	732,953	705,963
HRA	297,250	335,264	376,117	272,753	317,176	354,253
	1,037,584	1,066,102	1,086,735	950,206	1,050,129	1,060,216
* Commercial activities / non-financial investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc.	26,399	15,078	14,670	3,728	12,792	9,194
Movement in capital financing requirement represented by:						
New borrowing for capital expenditure	127,037	65,759	63,075	55,754	137,563	61,889
Less minimum revenue provision/Voluntary minimum revenue provision	(33,118)	(37,241)	(42,442)	(31,720)	(37,640)	(51,802)
Movement in capital financing requirement	93,919	28,518	20,633	24,034	99,923	10,087

PI 3 - Authorised limit for external debt.

These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI). This is a self determined level reviewed and set each budget setting cycle.

	As at 30 September 2020		
	2020-2021 Limit £000	2021-2022 Limit £000	2022-2023 Limit £000
Borrowing	1,049,311	1,100,137	1,162,140
Other Long Term Liabilities	87,249	84,637	81,939
Total Authorised Limit	1,136,560	1,184,774	1,244,079
Forecast External Debt as at 30 September 2020	863,573	965,573	975,660
Variance (Under) / Over Authorised limit	(272,987)	(219,201)	(268,419)
Authorised limit for commercial activities / non-financial investments included in the above figures			
Authorised Limit	45,893	43,867	43,867
Forecast External Debt as at 30 September 2020	36,657	46,914	46,914
Variance (Under) / Over Authorised limit	(9,236)	3,047	3,047

Prudential Indicators (PI) required by The Prudential Code

PI 4 - Operational boundary for external debt.
This is based on the same estimates as the authorised limit but directly reflects the Director of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included. This is a self determined level reviewed and set each budget setting cycle.

	As at 30 September 2020		
	2020-2021 Limit £000	2021-2022 Limit £000	2022-2023 Limit £000
Borrowing	1,018,328	1,083,775	1,146,467
Other Long Term Liabilities	85,247	82,635	79,937
Total Operational Boundary Limit	1,103,575	1,166,410	1,226,404
Forecast External Debt as at 30 September 2020	863,573	965,573	975,660
Variance (Under) / Over Operational Boundary Limit	(240,002)	(200,837)	(250,744)
Operational boundary for commercial activities / non-financial investments included in the above figures			
Total Operational Boundary Limit	43,867	43,867	43,867
Forecast External Debt as at 30 September 2020	36,657	46,914	46,914
Variance (Under) / Over Operational Boundary Limit	(7,210)	3,047	3,047

PI 5 - Gross debt and the capital financing requirement.
"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".

	Approved by Council 4 March 2020			As at 30 September 2020		
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,086,737	1,102,383	1,102,383	1,060,216	1,079,983	1,080,167
Gross Debt	1,032,794	1,063,389	1,084,023	863,573	965,573	975,660
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes	Yes	Yes

PI for Affordability - These indicators are used to ensure the total capital investment of the Council is within a sustainable limit and the impact of these decisions are considered with regard to acceptable council tax and housing rent levels.

PI 6 - Estimates and actual ratio of financing costs to net revenue stream.
This represents the cost of financing capital expenditure as a % of net revenue for both General and HRA.

	Approved by Council 4 March 2020			As at 30 September 2020		
	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
General *	14.9%	18.1%	17.9%	14.1%	16.6%	21.5%
HRA	30.3%	30.9%	31.8%	29.6%	29.4%	29.6%
* Commercial activities / non-financial investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc.	0.9%	0.9%	0.8%	0.7%	1.0%	1.1%

Treasury Management Indicators (TMI) required by The Treasury Management Code

TMI 1 - Upper limits to the total of principal sums invested over 365 days.

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.

	Approved by Council 4 March 2020		
	2020-2021 Limit £000	2021-2022 Limit £000	2022-2023 Limit £000
Upper limit for more than 365 days	35,000	35,000	35,000
Actual and Forecast Invested at 30 September 2020	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)

TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

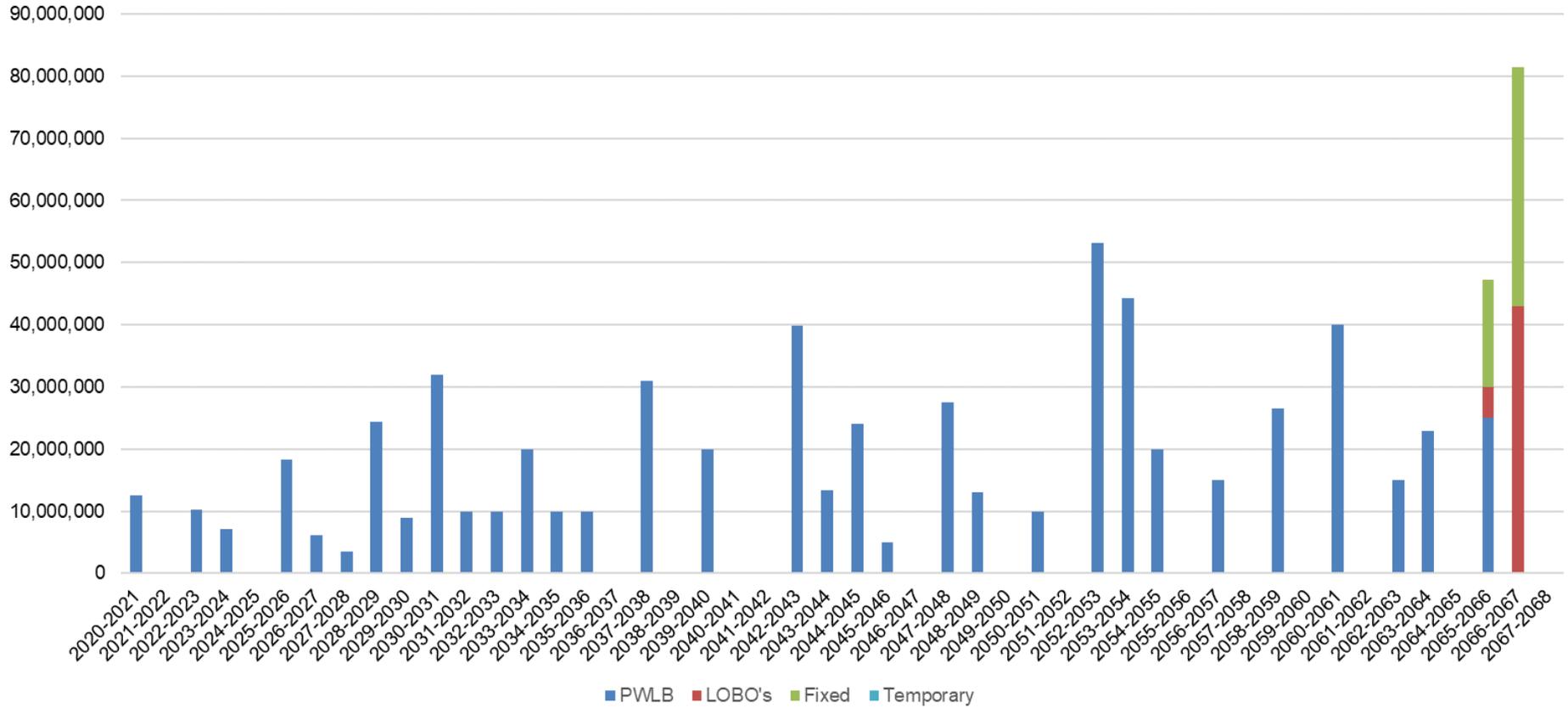
These limits relate to the % of fixed and variable rate debt maturing.

	Approved by Council 4 March 2020		As at 30 September 2020
	Upper Limit	Lower Limit	2020-2021 Forecast Borrowing
Under 12 months	25%	0%	1.52%
12 months and within 24 months	25%	0%	4.02%
24 months and within 5 years	40%	0%	2.81%
5 years and within 10 years	50%	0%	6.78%
10 years and within 20 years	50%	0%	17.44%
20 years and within 30 years	50%	0%	21.57%
30 years and within 40 years	50%	0%	25.51%
40 years and within 50 years	50%	0%	20.35%
50 years and within 60 years	50%	0%	-

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Borrowing Maturity Profile at 30 September 2020

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Link interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 11 August 2020 (PWLB rates are certainty rates, gilt yields plus 180bps):

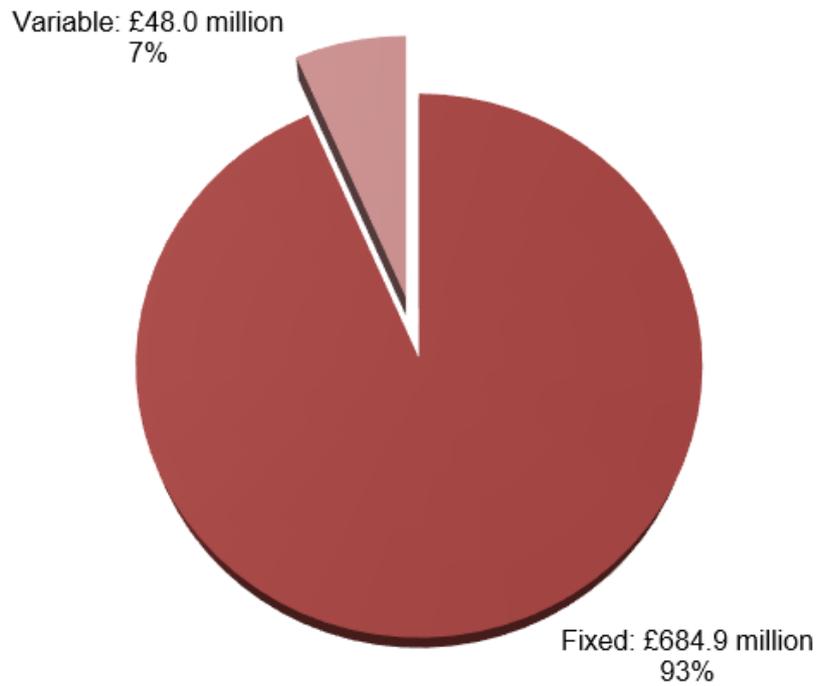
Link Group Interest Rate View 11.8.20		Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings		0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings		0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings		0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate		1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate		2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate		2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate		2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

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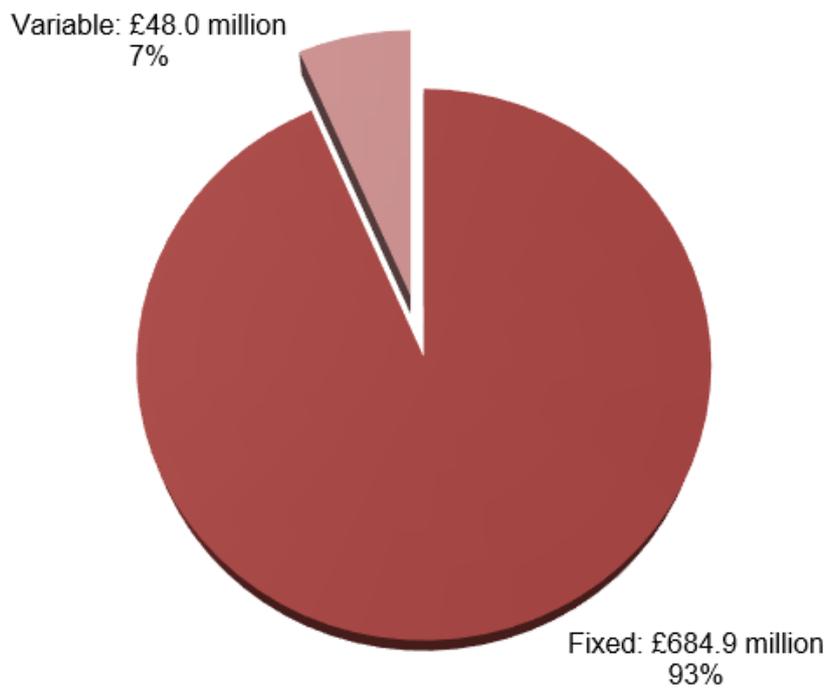
Borrowing: Graphical Summary

Borrowing by Type

As at 30 June 2020



As at 30 September 2020



Borrowing and Repayments in 2020-2021

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
2020-2021 Borrowing						
PWLB Fixed Maturity:						
No activity in quarter 2						
Sub total for PWLB			-			-
Temporary Loans:						
No activity in quarter 2						
Sub total for Temporary Loans			-			-
Grand total borrowing			-			-

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
2020-2021 Repayments						
PWLB Fixed Maturity:						
No activity in quarter 2						
Sub total for PWLB			-			-
Temporary Loans:						
No activity in quarter 2						
Sub total for Temporary Loans			-			-
Grand total repayments			-			-
Net movement			-			-

Disclosure for Certainty Rate

Certainty Rate						
This table details the information that is required to enable the Council to submit a return for 2020-2021						
	Approved by Council 4 March 2020			As at 30 September 2020		
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000
Net Borrowing Requirement:						
Borrowing to finance planned capital expenditure	123,931	65,447	62,692	55,648	134,251	61,506
Existing maturity loans to be replaced during the year	59,500	34,077	33,199	32,577	35,077	50,199
Less:						
Minimum Revenue Provision for debt repayment	(17,896)	(20,920)	(22,996)	(17,101)	(18,766)	(28,950)
Voluntary debt repayment	(10,839)	(13,397)	(16,365)	(10,236)	(15,950)	(19,771)
	(28,735)	(34,317)	(39,361)	(27,337)	(34,716)	(48,721)
Loans replaced less debt repayment	30,765	(240)	(6,162)	5,240	361	1,478
Net Advance Requirement	154,696	65,207	56,530	60,888	134,612	62,984

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Lending List

2020-2021 Specified Investments as at 30 September 2020

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Bank Netherlandse Gemeenten	Netherlands (AAA)	20,000	12 mths
DBS Bank Ltd	Singapore (AAA)	10,000	6 mths
HSBC Bank plc	UK (AA-)	5,000	3 mths
Landwirtschaftliche Rentenbank	Germany (AAA)	20,000	12 mths
National Bank of Abu Dhabi	Abu Dhabi (U.A.E) (AA)	5,000	3 mths
NRW.BANK	Germany (AAA)	20,000	12 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	10,000	6 mths
United Overseas Bank Ltd	Singapore (AAA)	10,000	6 mths
Nationalised Banks			
Royal Bank of Scotland Group plc			
National Westminster Bank plc	UK (AA-)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA-)	10,000	3 mths
AAA Rated and Government Backed Securities			
Debt Management Office	UK (AA-)	20,000	30 mths
Money Market Funds			
	Fund Rating		
Invesco STIC Account	Fitch AAmmf	20,000	Instant Access
Aberdeen Liquidity Fund (LUX) Class 2	Fitch AAmmf	20,000	Instant Access
Federated Short-Term Sterling Prime Fund	Fitch AAmmf	20,000	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access
Scottish Widows Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access

Non-rated Institutions

County Councils, London Boroughs, Metropolitan Districts and Unitary Authorities - limits £6m and 12 months.
Shire District Councils, Fire and Civil Defence Authorities, Passenger Transport Authorities and Police
Authorities - limits £3m and 12 months.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 November 2020
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Report title	Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	22 October 2020

Recommendations for decision:

The Cabinet is 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, 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.

Recommendations for noting:

That Cabinet is asked to note:

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 will 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 will 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 will be available to the Council as detailed in 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 Comprehensive 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.
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 will, as in previous years, include an update on all budget assumptions and the outcome of the Provisional Local Government Settlement will 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.

1.0 Purpose

- 1.1 The purpose of this report is to provide Councillors with an update to the Draft Budget and Medium Term Financial Strategy (MTFS) 2021-2022 to 2023-2024; the projected financial implications of the Covid-19 pandemic and agree the core principles and next steps that will be taken in order to address the financial pressures faced by the Council over the medium term.
- 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 2021-2022 to 2023-2024.

2.0 Background

- 2.1 The Council has a strong track record over many years of managing its finances well, planning ahead and consistently setting a balanced budget, despite austerity, while maintaining an appropriate level of general balance reserves. Over the last ten years the Council has identified budget reductions in excess of £235 million.
- 2.2 On 4 March 2020, the Council approved the net budget requirement for 2020-2021 of £248.2 million for General Fund services. This was the sixth year running the Council was able to set a balanced budget without the need to make use of general reserves. It was projected that the Council would be faced with finding further estimated budget reductions totalling £15.5 million in 2021-2022 rising to around £20 million over the medium term to 2023-2024. This budget was set prior to Covid-19 being declared a global pandemic and at the time of reporting, the full impact of Covid-19 on both the finances and operating environment could not have been foreseen.
- 2.3 Without the cost pressures arising as a result of the Covid-19 pandemic, it is estimated that the Council would currently be faced with a budget deficit in the region of £4.5 million for 2021-2022, as detailed in section 6, and be on track to deliver another balanced budget. However, the huge costs of dealing with the immediate implications of the pandemic and the likely ongoing costs caused by the resulting economic damage, the Council is faced with significant forecast financial pressures. Without additional government funding, this increases the projected budget deficit to be in the region of £23.2 million in 2021-2022, rising to more than £40 million over the medium term.
- 2.4 It is assumed that the Government will provide sufficient grant funding to cover these pressures following the Secretary of State for Housing, Communities and Local Government stating in a message to council leaders that committed the Government to do “whatever it takes” to ensure that local authorities have the resources needed to do what was being asked of them to help with the pandemic response.
- 2.5 The financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy.
- 2.6 In March 2020, Full Council approved that work started immediately to identify budget efficiencies for 2021-2022 onwards, in line with the Five Year Financial Strategy.

- 2.7 An update on the draft budget strategy, linked to the Five Year Financial Strategy, including changes to corporate resources assumptions and growth and inflation was presented to Cabinet on 29 July 2020. At that point, the revisions in assumptions resulted in the identification of £6.8 million towards the projected budget deficit for 2021-2022. Cabinet approved the incorporation of the draft budget strategy into the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024. Taking this into account, the remaining budget challenge to be identified for 2021-2022 stood at £8.7 million.
- 2.8 It should be noted that due to external factors, especially surrounding the Covid-19 pandemic and Brexit, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
- 2.9 This report provides an update on the progress towards the budget strategy for 2021-2022 and future years, whilst also detailing the emerging pressures that the Council currently faces in response the Covid-19 pandemic.

3.0 Our role in the crisis

- 3.1 From the earliest days of this national emergency, central government made it clear that councils would have a vital role to play in delivering the pandemic response (<https://www.gov.uk/government/news/robert-jenrick-reaffirms-support-for-councils-in-their-coronavirus-response>). The council, working alongside city partners, residents and businesses, heeded the government call to prioritise helping the most vulnerable in society and to support the local economy.
- 3.2 The Council considered evidence when drawing up a response to the pandemic to ensure that the right response was delivered at the right level to support the residents and businesses of Wolverhampton.
- 3.3 The Council's response included:
- Delivering 1.3 million food parcels to vulnerable people who were shielding.
 - Setting up a 'Stay Safe Be Kind' helpline which had 17,000 contacts with the public seeking help or advice.
 - 209 homeless people - or at risk of becoming homeless - supported with room and a roof.
 - 2.8 million items of PPE sourced and delivered by council to local care providers.
 - £45.2 million in business grants paid.
 - £28.3 million in business rates relief processed.
 - 8,500 calls to the business support phoneline
 - Working alongside schools to achieve an average of 90% attendance when schools went back in September up to October half term

- Continuing business as usual services including emptying 2.7 million household waste and recycling bins and delivering 53,946 Meals on Wheels.
- 3.4 One-off grants have been provided to support the cost implication of the pandemic in 2020-2021, with £25.5 million of general Emergency Covid-19 funding received to date. In addition, Councils can apply for funding to part fund the loss of non-commercial income. This funding is not confirmed and subject to the submission of applications but is currently estimated to be in the region of £5.5 million. In addition to these grants, a number of grants with specific conditions attached have been provided to the Council during the Covid-19 pandemic. The Council has also been responsible for passporting grants to other parties. A full list of grants awarded or anticipated to be awarded can be seen in Appendix 1.
- 3.5 The current projections of the cost implications of Covid-19 in 2020-2021 are detailed in Table 1 below, further detail can be found in Appendix 1.

Table 1 - Projected Financial Implications of Covid-19 in 2020-2021

Category	2020-2021 £000
Expenditure including recovery costs	13,566
Loss of Income	10,416
Budget Reduction and Income Generation targets at risk	1,961
Provision for expenditure on activity to support current and future lockdown measures	6,118
Total potential impact	32,061
Confirmed Government Grant Funding	
Covid-19 Emergency Grant (general)	19,429
Covid-19 Emergency Grant (new allocation)	6,118
Rough Sleepers Grant	198
Emergency Assistance for Food and Essential Supplies Grant	393
Total Confirmed Government Grant Funding	26,138
Potential Shortfall before Sales, Fees and Charges Grant	5,923
Sales, Fees and Charges – claim 1 (April to July)	2,207
Sales, Fees and Charges – estimate of future claims (August to March)	3,392
Potential Government Grant	5,599
Potential Cost Pressure	324

- 3.6 On 31 October 2020, the Prime Minister announced that England would be entering a second national lockdown from 4 November 2020 until 2 December 2020. It has been

announced that local authorities will receive additional funding; the costs associated with this lockdown including, support for additional local test and trace operations, support for businesses and those residents who are clinically extremely vulnerable. Full details of these grants were not known at the time of writing this report, but current announcements indicate that all authorities will now receive tier three level funding which is £8 per head of population to support local test and trace operations. In addition, under a new local shielding framework, areas will receive £14 per clinically extremely vulnerable person to ensure they have access to essential supplies.

- 3.7 Councils have also been asked to distribute business grants worth up to £3,000 for the 28 day anticipated lockdown period to business premises forced to close, under a new local restrictions support grant. In addition, councils will receive £1.1 billion equating to £20 per head of population, for one-off discretionary payments to support businesses that are affected by the lockdown but which are not legally required to close.
- 3.8 The full details of these grants and the actual allocations for Wolverhampton were not known at the time of writing this report. Approval is sought in this report to delegate authority 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 to support the costs associated with the second national lockdown.

4.0 Challenges going forward – the Impact of Covid

- 4.1 The costs of dealing with the pandemic extend beyond the immediate support outlined above. It is not yet known how long the pandemic will go on for or what the level of future support required will be. In addition, the economic costs of the pandemic will place additional pressures on the Council's income collected from council tax and business rates for years to come.
- 4.2 As detailed in paragraph 2.4 above, it is assumed that the Government will provide sufficient grant funding to cover the cost of Covid-19 related pressures. Assuming that this is the case, the Council is faced with a budget deficit in the region of £4.5 million for 2021-2022 rising to £19.6 million over the medium term period to 2023-2024. A range of options will be explored to bridge the gap including setting efficiency targets to all Directorates. In the event that the Government does not provide sufficient funding, the Council would be faced with a budget deficit for 2021-2022 in the region of a minimum of £23.2 million, rising to over £40 million over the medium term. The increase in the forecast budget deficit has arisen as a result of the impact that Covid-19 has had on the economy to date and the ongoing impact it is likely to have in future years.
- 4.3 The Government has allocated grant totaling £25.5 million of Covid-19 Emergency grant to support the unprecedented financial situation that the Council finds itself in due to Covid-19. Further funding is required in order to meet the full costs of the pandemic that will be seen over the medium term. If further government funding is not forthcoming, the Council will need to identify significant budget reductions which could impact on service delivery.

5.0 Government Commitment

- 5.1 The Secretary of State for Local Government, Rt Hon Robert Jenrick MP, held a conference call with 300 council leaders from across the country on 16 March and committed the Government to do “whatever it takes” to ensure that local authorities have the resources needed to do what was being asked of them to help with the pandemic response. This was reiterated in an official media release from the MHCLG on the same day which quoted the Secretary of State making the following pledge: “As part of the national effort to keep the public safe and deliver essential public services, this government stands with local councils at this difficult time. My absolute priority is to ensure they are well placed to respond to coronavirus and protect vital services, including social care. Everyone needs to play their part to help the most vulnerable in society and support their local economy, and the government will do whatever is necessary to support these efforts.”
- 5.2 So far, the Government has provided additional funding which will cover the immediate costs to the Council of tackling the pandemic. The Government have periodically reaffirmed their commitment to local authorities. It is now essential that further Government funding is provided to cover the considerable costs the pandemic will continue to have over the medium term.

6.0 Relighting Our City Agenda

- 6.1 Alongside managing the emergency response to the pandemic, the Council has also undertaken extensive planning for recovery which was approved by Cabinet in September. It engaged with around 2,500 people including residents, young people, the voluntary and community sector and other partners, employees, Councillors and businesses across the city. This engagement has shaped the Council’s five-point recovery plan, ‘Relighting Our City’.
- 6.2 Relighting Our City sets out the priorities which will guide the Council’s approach as the organisation and the City starts to transition from the response to the recovery phase of the pandemic:
- Support people who need us most
 - Create more opportunities for young people
 - Support our vital local businesses
 - Generate more jobs and learning opportunities
 - Stimulate vibrant high streets and communities
- 6.3 It is vital that the city has the resources to be able to focus on recovery which will enable the city to address key challenges and assist the government to deliver its ‘levelling up’ agenda and capitalise on new opportunities as the city transitions out of the response phase of the pandemic. If the assumed further Government funding is not forthcoming, meaning the Council would need to make significant reductions to existing budgets and

potentially make use of earmarked reserves in order to balance the budget, this would compromise the Council's ability to deliver its Relighting Our City plan and deliver its priorities.

7.0 Five Year Financial Strategy

- 7.1 The Council's strategic approach to address the budget deficit is to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019.
- 7.2 Our Council Plan 2019-2023 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.' 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 be proud of
- 7.3 Covid-19 has had a significant international, national and regional impact and will continue to do so over the short and medium term. The pandemic has made the challenges faced in our local economy much harder. As detailed in section 6, the Council has developed its five-point recovery plan, 'Relighting Our City' which sets out the priorities which will guide the Council's approach as the organisation and the City starts to transition from the response to the recovery phase of the pandemic.
- 7.4 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 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

8.0 Summary of financial position

- 8.1 Despite austerity since 2010, the Council has a strong track-record of managing money well, planning ahead and delivering excellent services.
- 8.2 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy remain under constant review and update. Appendix 2 provides detail of the changes to corporate resource assumptions and growth and inflation, which are recommended for inclusion in the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024.
- 8.3 In light of the Covid-19 pandemic and confirmation that the Comprehensive Spending Review 2020 would be delayed, further work has been undertaken to assess the potential impact on the Council's 2021-2022 draft budget and Medium Term Financial Strategy.
- 8.4 The overall impact of the revisions to the draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 has been detailed in Appendix 2.

- 8.5 In response to government announcements, the Council assumes that the Government will provide sufficient grant funding to cover the cost of Covid-19 related cost pressures. Without the cost pressures arising as a result of the Covid-19 pandemic, it is estimated that the Council is currently faced with a budget deficit in the region of £4.5 million for 2021-2022, rising to £19.6 million over the medium term period to 2023-2024 and is on track to deliver another balanced budget for 2021-2022.
- 8.6 However, in the event that sufficient grant funding to meet the pressures arising as a result of Covid-19 is not provided to local authorities, 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. The financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy.
- 8.7 As can be seen in the table below and in further detail at Appendix B, the projected budget deficit for 2021-2022 could rise to a minimum of £23.2 million for 2021-2022, increasing to over £40 million over the medium term. The increase in the forecast budget deficit has arisen as a result of the impact that Covid-19 has had on the economy to date and the ongoing impact it is likely to have in future years. This will be closely monitored, with updates provided in future reports. At this stage it has not been possible to fully quantify the potential impact of Covid 19 over the medium term. It is anticipated that pressures will emerge in many areas particularly in relation to adult social care.

Table 2 – Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 – Covid pressures not funded

	2021-2022 £000	2022-2023 £000	2023-2024 £000
Projected Budget Challenge as at July 2020	8,690	21,828	20,382
Changes to Corporate Resources	10,674	3,326	(1,000)
Changes to Growth and Inflation	3,818	1,530	1,300
Annual Change	14,492	4,856	300
Cumulative Change	-	19,348	19,648
Projected deficit after cumulative impact of revisions	23,182	41,176	40,030

- 8.8 It is important to note that there continues to be a significant level of uncertainty associated with emerging behavioural and operational changes arising as a result of the Covid-19 pandemic. This may have significant ongoing financial implications for services provided by the Council including, but not limited to, adult social care, public health and wellbeing and income generating services.
- 8.9 Work will continue over the coming months to review all assumptions in the Medium Term Financial Strategy and a further update will be presented to Councillors in January 2021.
- 8.10 The Council levies a wide range of fees and charges for many of its services. Some are discretionary and others are either specified or restricted by legislation or Government. Services continue to review their fees and charges policies in line with key priorities. It is therefore proposed 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.
- 9.0 Next Steps and Budget Risk Management**
- 9.1 As stated in section 5 above, following announcements made by Government, it is assumed that the Government will provide sufficient grant funding to cover the cost of pressures arising as a result of the Covid-19 pandemic. However, in the event that sufficient grant funding to meet the pressures is not provided to local authorities, 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 efficiencies sufficient

enough to set a balanced budget. This will be closely monitored, with updates provided in future reports.

- 9.2 It is important to note 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.
- 9.3 Work will continue to take place to assess the financial position the Council finds itself in, namely identifying budget efficiencies to meet the anticipated £4.5 million budget deficit in 2021-2022, in order to ensure that a balanced budget can be set in each individual year.
- 9.4 A summary of the 2021-2022 budget setting process timetable is detailed below in Table 3.

Table 3 – Budget Timetable

Milestone	Deadline
Formal Budget Scrutiny	November – December 2020
Report to Cabinet following Local Government Finance Settlement	January 2021
Final Budget Report 2021-2022 to Cabinet	17 February 2021
Full Council Approval of Final Budget 2021-2022	March 2021

- 9.5 The overall level of risk associated with the Draft Budget and Medium-Term Financial Strategy (MTFS) 2021-2022 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 4 – General Fund Budget Risk Register

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, 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.	Red
Covid-19	Risk that the financial implications of Covid 19 including the Council's recovery will exceed the grant allocations awarded by Government and place further financial pressures on the council financial position over the medium term.	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. In the event that sufficient grant funding to meet the pressures arising as a result of Covid-19 is not provided to local authorities, 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. This may therefore potentially impact upon service provision.

11.0 Reasons for decisions

11.1 It is recommended that 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 is approved by Cabinet. Cabinet will be provided with an update on progress in the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 report which will be presented to Cabinet in January 2021. In approving this strategy, the Council will be working towards identifying options to be able to set a balanced budget for 2021-2022.

12.0 Financial implications

12.1 The Financial Implications are detailed throughout this report.

[MH/03112020/Z]

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 2021-2022.

[DP/02112020/A]

14.0 Equalities implications

- 14.1 The method by which the MTFs for 2021-2022 is developed is governed by the Council Plan priorities described in paragraph 7.2 which itself was guided by consultation and equality analysis. Development of budget reduction proposals for Cabinet's consideration will include an initial equalities screening for each proposal and, where necessary, a full equalities analysis which will provide for an initial understanding of the equality impact of

the draft proposals. All of this will enable Councillors to pay, “due regard” to the equalities impact of their budget decisions at that point in the budget development process. 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 in doing so 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 Human resources implications

16.1 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 1st April 2019 up to 31 March 2020. A further HR1 was scheduled to be issued on 1 April 2020 for the period 1 April 2020 – 31 March 2021, this was postponed due to the COVID19 emergency. A HR1 was issued on 1 August 2020 for the period 1 August 2020 – 31 March 2021. This will identify a further 500 posts. The reductions will be through both voluntary redundancy and budget reduction targets which could result in compulsory redundancies.

16.2 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 for 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.

16.3 As detailed in the report, budgetary reductions will be made through efficiencies with new and smarter ways of working, income generation and transformation initiatives.

16.4 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. The Exit Payment Regulations 2020 that came into force on 4 November 2020 have necessitated amendments to the Local Government Pension Scheme currently being consulted on by the Ministry of Housing, Communities and Local Government. Following the outcome of consultations CWC will be required to review the current voluntary and compulsory redundancy policies.

16.5 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. If any of the budget reduction targets require service delivery to move from direct Council management to private, community or third sector providers, this may

have implications under the TUPE regulations. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.

16.6 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.

17.0 Corporate landlord implications

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

18.0 Health and Wellbeing Implications

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

19.0 Covid Implications

19.1 The Covid implications are discussed throughout the body of this report.

19.2 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council.

20.0 Schedule of background papers

20.1 [2020-2021 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024](#), report to Cabinet on 19 February 2020 and Full Council on 4 March 2020

20.2 [Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021](#), report to Cabinet on 8 July 2020

20.3 [2020-2021 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024](#), report to Cabinet on 29 July 2020.

21.0 Appendices

21.1 Appendix 1 – 2020-2021 Budget Update.

21.2 Appendix 2 – Budget Strategy 2021-2022 to 2023-2024 – Update on Assumptions.

1.0 2020-2021 Budget Update

- 1.1 Since the 2020-2021 budget was set in March 2020, Covid-19 was declared a national pandemic. At the time of reporting to Council on 4 March 2020, the full impact of the Covid-19 pandemic was not anticipated and the impact on both the finances and operating environment could not have been foreseen. The financial implications of the pandemic have significantly distorted the 2020-2021 budget.
- 1.2 The Government has announced grant funding to help local authorities address the pressures they are facing in response to Covid-19. Wolverhampton's total confirmed funding allocation from the Covid-19 Emergency Grant is £25.5 million. Funding has also been received to support rough sleepers and to provide food and essential supplies to vulnerable residents. In addition to this, the Government have announced a co-payment mechanism for irrecoverable sales, fees and charges income. This funding is conditional upon grant claims and payable in three tranches. The first claim was submitted in September claiming costs of £2.2 million, but at the time of writing this report the actual amount awarded to Wolverhampton had not been confirmed. Based on current forecasts, the total additional grant that could be claimed under this fund is estimated to be in the region of £5.6 million. It is important to note that this is not confirmed income and is subject to change. A full list of grants awarded to the Council prior to the second national lockdown, during the Covid-19 pandemic, with specific conditions attached are detailed in the table below:

Table 1 – Specific Grants

Grant	Allocation £000
General Grants	
Covid 19 Emergency Grant	25,547
Enforcement Surge Funding	174
Grants with conditions / criteria	
Rough Sleepers (2 tranches announced to date)	209
Reopening of the High Street	234
Test and Trace	1,920
Emergency Food and Essential Supplies	393
Wellbeing for Education Return Grant	37
Active Travel Scheme (revenue and capital)	347
Home to School Transport	117
Grants passported to third parties	
Business Grant	53,518
Hardship Fund	3,272
Infection and Prevention	6,228
Business Improvement Districts	34
Test and Trace Support Payments	274
Estimated Allocation – amounts not confirmed.	
Sales, Fees and Charges	5,599
Contain Outbreak Management Fund (based on tier 2)	789

- 1.3 Under the Council’s emergency decision-making powers, a range of short term initiatives have been implemented including: the distribution of food parcels to the city’s most vulnerable residents, temporary accommodation for rough sleepers, additional financial support for adult social care providers and the procurement of additional personal protective equipment for key staff and partners.
- 1.4 All of these short-term new initiatives required additional investment and have been funded to-date by the funding received from Central Government.
- 1.5 In addition to the short-term initiatives, a number of services were suspended in response to Government requirements. Income streams have been adversely affected from the loss of fees and charges for services, such as car parking, leisure and cultural services.
- 1.6 At the time of setting the 2020-2021 budget, new service budget reduction and income generation targets totalling in excess of £10 million were approved. A number of these planned targets are now at risk because resources that would originally have been focussed on transformation programmes have been redirected to enable the Council to respond to the crisis.

- 1.7 The Council has played a proactive, leading role in responding to Covid-19. Some of the new initiatives implemented to support the City's residents may continue to require financial support. As the situation evolves and restrictions continue to ease, some of the new initiatives will cease entirely, ease or will transition into different services which will require financial support.
- 1.8 Our current projections demonstrate that the estimated grant funding for Wolverhampton will be sufficient to meet the immediate revenue cost pressures and loss of income, including the delivery of budget reduction targets, with a small in-year cost pressure.
- 1.9 The current projections of the cost implications of Covid-19 in 2020-2021 are detailed in Table 2 below:

Table 2 - Projected Financial Implications of Covid-19 in 2020-2021

Category	2020-2021 £000
Expenditure including recovery costs	13,566
Loss of Income	10,416
Budget Reduction and Income Generation targets at risk	1,961
Provision for expenditure on activity to support current and future lockdown measures	6,118
Total potential impact	32,061
Confirmed Government Grant Funding	
Covid-19 Emergency Grant (general)	19,429
Covid-19 Emergency Grant (new allocation)	6,118
Rough Sleepers Grant	198
Emergency Assistance for Food and Essential Supplies Grant	393
Total Confirmed Government Grant Funding	26,138
Potential Shortfall before Sales, Fees and Charges Grant	5,923
Sales, Fees and Charges – claim 1 (April to July)	2,207
Sales, Fees and Charges – estimate of future claims (August to March)	3,392
Potential Government Grant	5,599
Potential Cost Pressure	324

- 1.10 In addition to the costs above, Covid-19 has had an impact on development of capital projects. Given the unprecedented circumstances, there has understandably been some delay on capital projects due to the pandemic. The Council continues to assess the potential implications of Covid-19 on the wider capital programme in terms of delivery timescales and increase in costs. Any additional costs on the capital programme will

result in an increase in the Treasury Management revenue budget. The joint meeting of Cabinet and Cabinet (Resources) Panel on 23 June 2020, received a report on the Covid-19 impact on the Capital Programme. In order to be prudent, additional capital budget has been built into the Capital Programme to cover potential risks associated with the Covid-19 pandemic. The potential annual revenue impact could be up to £430,000 per year, the impact of this will not be seen until after 2020-2021.

- 1.11 It is important to note, that the financial implications detailed above are subject to change and do not include the full cost of recovery work or any provision for changes in light of the national lockdown and the new three tier system.
- 1.12 On 31 October 2020, the Prime Minister announced that England would be entering a second national lockdown from 4 November 2020 until 2 December 2020. It has been announced that local authorities will receive additional funding to cover the costs associated with this lockdown including, support for additional local test and trace operations, support for businesses and those residents who are clinically extremely vulnerable. Full details of these grants were not known at the time of writing this report, but current announcements indicate that all authorities will now receive tier three level funding which is £8 per head of population to support local test and trace operations. In addition, under a new local shielding framework, which councils will be asked to put into place by 4 November, areas will receive £14 per clinically extremely vulnerable person to ensure they have access to essential supplies.
- 1.13 Councils have also been asked to distribute business grants worth up to £3,000 for the 28 day anticipated lockdown period to business premises forced to close, under a new local restrictions support grant. In addition, councils will receive £1.1 billion equating to £20 per head of population, for one-off discretionary payments to support businesses that are affected by the lockdown but which are not legally required to close.
- 1.14 The full details of these grants and the actual allocations for Wolverhampton were not known at the time of writing this report.
- 1.15 In addition, there are longer term implications for the Council's operating model, as the scale of the change post-Covid-19 will place new expectations and demands on service delivery in 2020-2021 and future years. At this stage it has not been possible to fully quantify the potential impact of Covid-19 over the medium term. It is anticipated that pressures will emerge in many areas particularly in relation to adult social care, public health and wellbeing and income generating services.

1.0 Budget Strategy 2021-2022 to 2023-2024 – Update on Assumptions

- 1.1 Since the 2020-2021 budget was set in March 2020, work has been ongoing to review corporate resources assumptions, growth and inflation assumptions and to identify budget efficiencies to address the projected budget challenge of £15.5 million in 2021-2022, rising to around £20 million over the medium-term period to 2023-2024, as anticipated at that point. In July 2020, Cabinet received a report which detailed revisions in assumptions which resulted in the identification of £6.8 million towards the projected budget deficit for 2021-2022. Taking this into account, the remaining budget challenge to be identified for 2021-2022 stood at £8.7 million.
- 1.2 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy remain under constant review and update.
- 1.3 The base assumptions built into the MTFFS approved by Council in March 2020 including: assumed increases in council tax, pay awards, provision for inflationary growth and demand in social care remain unchanged.
- 1.4 In light of the Covid-19 pandemic and confirmation that the Comprehensive Spending Review 2020 would be delayed, further work has been undertaken to assess the potential impact on the Council's 2021-2022 draft budget and Medium Term Financial Strategy. The following paragraphs provide detail of updated assumptions in a number of areas. Work will continue over the coming months to review all assumptions in the Medium Term Financial Strategy and a further update will be presented to Councillors in January 2021.

Corporate Resources

- 1.5 A number of assumptions have been made with regards to the level of resources that will be available to the Council. It is important to note that there continues to be a considerable amount of uncertainty with regards to the future funding streams for local authorities. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and increase the budget deficit forecast over the medium term.
- 1.6 On 21 October 2020, HM Treasury confirmed that a one-year Spending Review will take place at the end of November 2020 in order to prioritise the Government response to Covid-19. It was stated that the Spending Review will build on support already provided in response to Covid-19 and focus on providing departments with certainty needed to tackle Covid-19, giving public services support to fight the virus and investing in infrastructure. The outcome of the one-year Spending Review will be reported to Councillors in January 2021.

Collection Fund Deficit

- 1.7 On 8 July 2020, Cabinet received a report detailing the final outturn on the Collection Fund for 2019-2020 which consisted of a cumulative deficit in the region of £532,000 on Council Tax and a cumulative deficit in the region of £939,000 on Business Rates. Of the accumulated deficit on the Collection Fund, the Council will retain a deficit in the region of £1.1 million. Due to the timing associated with collection fund accounting, the deficit retained by the Council will impact on the 2021-2022 budget. This has been recognised in the MTFS.
- 1.8 In addition to this, current projections indicate that there will be a significant reduction in the amount of funds that are collected in 2020-2021 from Council Tax and Business Rates; a result of the impact Covid-19 has had on the economy. As stated above, due to collection fund accounting treatment, any Collection Fund losses from 2020-2021 will not impact upon the Council's budget until 2021-2022.
- 1.9 Current working assumptions indicate that there could be a 15% reduction in the collection rate and appeals for remaining business rates, and a 6% reduction in the collection rate on Council Tax. In addition, it is forecast that losses will increase due to the increase in the number of Council Tax Relief cases; there has been a 1,500 increase in the number of working age claimants as at the end of September 2020, when compared to the start of the financial year. In total, the current projected 2020-2021 losses are expected to be in the region of £15.4 million.
- 1.10 The Government have announced that that the repayment of collection fund deficits arising in 2020-2021 can be spread over a three year period (2021-2022 to 2023-2024). Based on current projections this could result in an annual cost of £5.1 million.
- 1.11 Furthermore, it is forecast that losses of the same magnitude will be replicated in future years from 2021-2022 onwards, however the Government have not stated that any future losses could be spread over multiple financial years. The MTFS assumptions have therefore been updated to reflect the potential reduction in resources available to the Council.

One-off Funding Streams

- 1.12 Following a review of the anticipated level of reserves and grant balances, it is proposed that one-off funds totalling £1.1 million be released from the Business Rates Equalisation Reserve to help address some of the pressures detailed above on the Collection Fund.

Fees and Charges

- 1.13 The Council levies a wide range of fees and charges for many of its services. Some are discretionary and others are either specified or restricted by legislation or Government. Services continue to review their fees and charges policies in line with key priorities. It is therefore proposed 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.

Changes to Growth and Inflation

Emerging Pressures

- 1.14 In July 2020, Cabinet were informed that options were being explored on identifying efficiencies from potential technical financial transactions. High-level assumptions indicated that one-off efficiencies in the region £5 million could be generated in 2021-2022 reducing to £2 million over the medium term. However, in order to be prudent, the potential financial transaction has been removed from the current MTFS assumptions. Work will continue on these proposals over the next few months, with further reports to Cabinet in due course.
- 1.15 In depth reviews are being undertaken on existing budget reduction and income generation proposals in light of the Covid-19 pandemic and changes to the environment in which we currently operate. Current assumptions indicate that £2.5 million of savings will not be delivered in 2021-2022 as planned. Work is ongoing to ensure that proposals included in the MTFS are deliverable over the medium term. Further details will be reported back to Cabinet in the future reports.
- 1.16 Similarly, reviews are being undertaken on growth and inflation currently built into the MTFS. Current assumptions indicate that there is a net growth and inflationary requirement totalling £348,000 in 2021-2022. It is important to note, that detailed work continues to assess the impact that Covid-19 may have on the assumptions built into the MTFS.

Emerging Opportunities

- 1.17 As part of the detailed budget review, a number of one-off corporate budget efficiencies in 2021-2022 have been identified totalling £2.7 million. These efficiencies are primarily linked to the historic non-requirement of the auto-enrolment pot which has been held for the auto-enrolment of employees into the pension scheme, and other corporate contingencies. In addition to this, it is currently anticipated that the Council could see a net underspend against the 2020-2021 corporate budget. It is therefore proposed that the net underspend in 2020-2021 be transferred into a specific reserve to support the 2021-2022 budget strategy.
- 1.18 In addition to this, a number of one-off efficiencies have been identified totalling £530,000.
- 1.19 The Council has played a proactive, leading role in responding to Covid-19. The overall Covid-19 Emergency grant funding allocation for Wolverhampton to support the unprecedented financial situation that the Council finds itself in due to Covid-19 totals £25.5 million at the point of writing. However, further funding is required in order to meet the full costs of the pandemic that will be seen over the medium term. It is assumed that

the Government will provide sufficient grant funding to cover these pressures following the Secretary of State for Housing, Communities and Local Government stating in a message to council leaders which committed the Government to do “whatever it takes” to ensure that local authorities have the resources needed to do what was being asked of them to help with the pandemic response.

- 1.20 Without the cost pressures arising as a result of the Covid-19 pandemic, it is estimated that the Council is currently faced with a budget deficit in the region of £4.5 million for 2021-2022 and is on track to deliver another balanced budget. A range of options will be explored to bridge the gap including setting efficiency targets to all Directorates.
- 1.21 The overall impact of the revisions to the draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, arising as result of the items detailed in the paragraphs above but with the Government funding the cost of Covid-19 pressures, have been reflected in Table 1 below.

Table 1 - Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 – Covid pressures funded

	2021-2022 £000	2022-2023 £000	2023-2024 £000
Projected Budget Challenge as at July 2020	8,690	21,828	20,382
Changes to Corporate Resources			
- Reduced Collection Fund forecast	14,674	(674)	(1,000)
- Collection Fund deficit 2019-2020	1,100	(1,100)	-
- One-off Funding Streams	(1,100)	1,100	-
- Government Covid-19 support	(22,733)	1,200	1,000
Changes to Growth and Inflation			
- Potential technical financial transactions	5,000	(3,000)	-
- Revisions to budget reduction targets	2,500	700	300
- Revisions to growth and inflation	348	(200)	-
- Potential underspends and corporate efficiencies	(3,700)	3,700	-
- Treasury Management	200	-	1,000
- One-off efficiencies	(530)	330	-
- Impact of Covid	TBC	TBC	TBC
Annual Change	(4,241)	2,056	1,300
Cumulative Change	-	(2,185)	(885)
Projected deficit after cumulative impact of revisions	4,449	19,643	19,497

- 1.22 Despite austerity since 2010, the Council has a strong track-record of managing money well, planning ahead and delivering excellent services.
- 1.23 However, in the event that sufficient grant funding to meet the pressures arising as a result of Covid-19 is not provided to local authorities, 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 efficiencies sufficient enough to set a balanced budget. The financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy. As can be seen from the table below, the projected budget deficit for 2021-2022 could rise to a minimum of £23.2 million for 2021-2022, increasing to over £40 million over the medium term. This will be closely monitored, with updates provided in future reports.

Table 2 - Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 – Covid pressures not funded

	2021-2022	2022-2023	2023-2024
	£000	£000	£000
Projected Budget Challenge as at July 2020	8,690	21,828	20,382
Changes to Corporate Resources			
- Reduced Collection Fund forecast	14,674	(674)	(1,000)
- Collection Fund deficit 2019-2020	1,100	(1,100)	-
- One-off Funding Streams	(5,100)	5,100	-
Changes to Growth and Inflation			
- Potential technical financial transactions	5,000	(3,000)	-
- Revisions to budget reduction targets	2,500	700	300
- Revisions to growth and inflation	348	(200)	-
- Potential underspends and corporate efficiencies	(3,700)	3,700	-
- Treasury Management	200	-	1,000
- One-off efficiencies	(530)	330	-
- Impact of Covid	TBC	TBC	TBC
Annual Change	14,492	4,856	300
Cumulative Change	-	19,348	19,648
Projected deficit after cumulative impact of revisions	23,182	41,176	40,030

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 November 2020
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Report title	Principal Social Worker Annual Report	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Linda Leach Adults	Councillor John Reynolds Children and Young People
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	David Watts, Director for Adult Services Emma Bennett, Director of Children's Services	
Originating service	Adult Social Care/Children and Young People	
Accountable employee	Louise Haughton Tel Email	Principal Social Worker 01902 555534 Louise.haughton@wolverhampton.gov.uk
Report to be/has been considered by	Directorate Leadership Teams Strategic Executive Board	23 October 2020 27 October 2020 28 October 2020

Recommendations for decision:

The Cabinet is recommended to:

1. Endorse the work of the Principal Social Worker and the continued impact it has on social care practice across children's and adults' services or something like that.
2. Approve the main priorities for the Principal Social Worker identified for 2020-2021.

1.0 Purpose

- 1.1 To provide 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.

2.0 Background

- 2.1 Designated Principal Social Workers (PSW) were first proposed by Professor Eileen Munro in her review of child protection in 2011, which identified the importance of better communication and understanding between social workers and senior management. Munro stated that Principal Social Workers should:

- Create a clear line of communication between frontline staff and senior management
- Champion best practice
- Encourage a “reflective approach” to social work
- Help to reduce bureaucracy and the amount of time spent on process-driven activities
- Support social workers to use their core skills and interventions which make a real difference to people.

- 2.2 Following this, the College of Social Work championed the extension of the role to include adult social work. As with the Children’s Principal Social Worker (PSW), the role of the PSW for adults also takes a professional lead across the organisation.

- 2.3 The Care and Support Statutory Guidance update May 2016 provided further clarification around the role of the PSW for Adults. The Guidance states that the PSW should be visible across the organisation, from elected members and senior management, through to frontline social workers, people who use services and carers. PSW’s should also have a broad knowledge base on safeguarding and Making Safeguarding Personal. It also states that Local Authorities should make arrangements to have a qualified and registered social work professional practice lead in place to:

- Lead and oversee excellent social work practice
- Support and develop arrangements for excellent practice
- Lead the development of excellent social workers
- Support effective social work supervision and decision making
- Oversee quality assurance and improvement of social work practice
- Advise the Director of Adult Social Services (DASS) and/or wider Council in complex or controversial cases and on cases or other law relating to social work practice
- Function at the strategic level of the “Professional Capabilities Framework”

- 2.4 Working Together to Safeguard Children 2018 states that Children and Families Principal Social Workers have a key role in developing the practice and the practice methodology that underpins direct work with children and families.

- 2.5 The PSW for both Adults and Children and Young People was appointed in March 2016.
- 2.6 The decision to appoint one PSW for Adult's and Children's Services was informed by a commitment to promote and embed a whole family approach in Wolverhampton. A key function of the PSW role is to promote a "think whole family approach" that will enable better working together across services, inspire greater aspirations for children, families and adult's with additional needs as well as ensuring the concept of wellbeing features in all of the work undertaken by Social Care.
- 2.7 The PSW reports directly to a Director as per best practice guidance. The work of the PSW is overseen and prioritised by the Social Work Development Board supported by a wider Workforce Development Board for Children and Young People and for Adults that also informs the work of the PSW.
- 2.8 A degree of independence is required of the role in order to provide challenge within the organisation. Effectiveness is then supported by having a direct line of access to the Director for Adults Services and the Director for Children's' Services.
- 2.9 The regional and national networks of PSWs also provide information to the Chief Social Workers for adults and children's and regular consultations are held in respect of issues such as social worker health checks, knowledge and skill statements, accreditation, legislation, practice and learning developments.
- 2.10 In accordance with best practice an annual report will be prepared and formally presented within the Council's governance arrangements.

3.0 Progress

- 3.1 The PSW for Adults and Children in Wolverhampton has a key responsibility for Policies and Procedures and the Quality Assurance and Improvement team. The function of this unit is to implement and further develop the Quality Assurance Frameworks for Adult Social Care and Children and Young People, to support inspections and peer review work and support the sector led improvement programmes.

- 3.2 Highlights of the work undertaken by the PSW since April 2019 is outlined below:

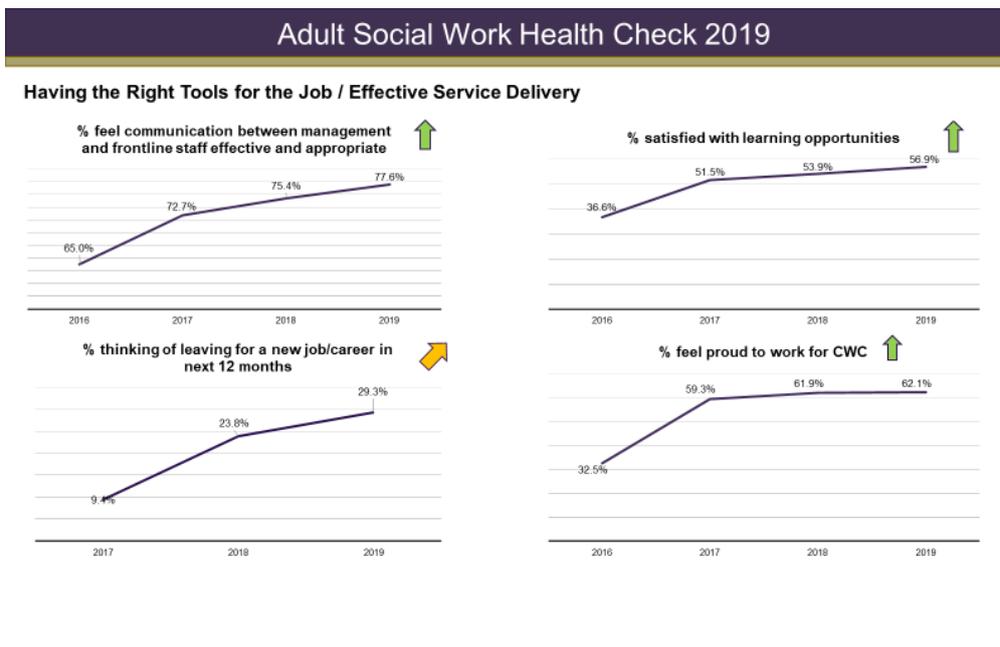
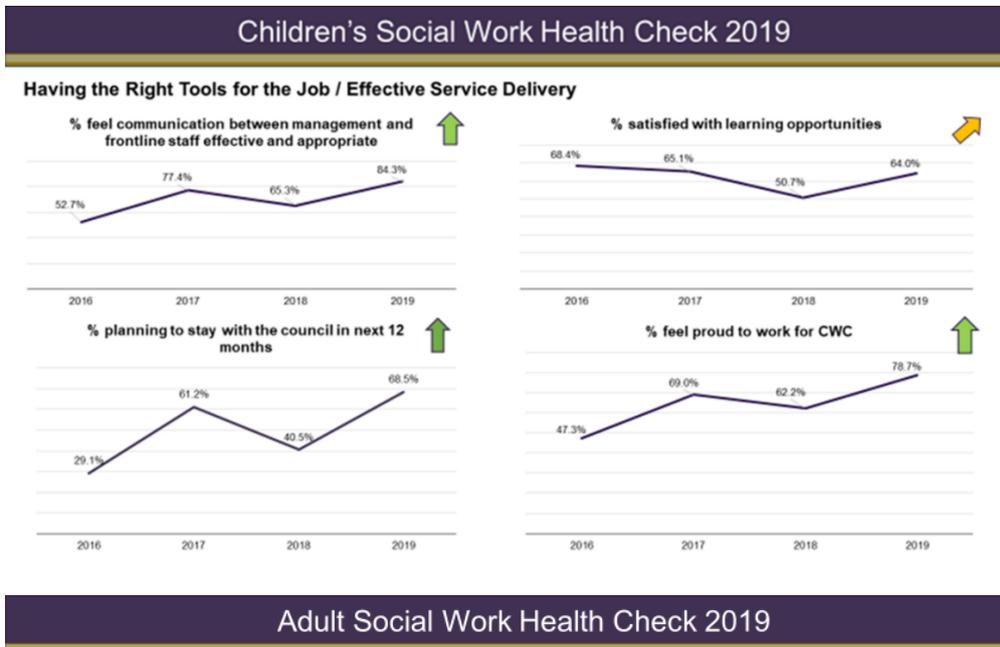
3.3 Workforce

- 3.4 Nationally, social work is facing workforce challenges due to a range of pressures. Social work is challenged by high turnover and vacancy rates and a heavy reliance on agency staff. The demand for permanent, experienced workers significantly outstrips supply (social work is on the national occupational shortage list).

- 3.5 The Principal Social Worker has led on the development and delivery of a Recruitment and Retention plan with colleagues from Human Resources, Organisational Development and the Communications Team.
- 3.6 The Office for Standards in Education, Children's Services and Skills (Ofsted) state that good local authorities have a "workforce that is sufficient, stable, suitably qualified and competent to deliver high-quality services to children and their families". Ofsted 2016
- 3.7 The plan delivers a rolling recruitment campaign for children services, the development of promotional material including videos for both Adult's and Children's Social Care and retention activity focused on good communication between senior leaders and frontline employees, delivering a good workforce development offer including a clear career development pathway.
- 3.8 The Social Work Development Plan outlines training opportunities for the social work workforce in line with service priorities. In the year 22 different training programmes were offered to social workers including subjects that help social workers build effective working relationships and promote strength-based approaches like Restorative Practice, Coaching Skills and facilitating Family Meetings. As well as this training has focused on the technical skills that are required through the delivery of courses like Assessment Skills, Mental Capacity Assessments, Legal Literacy and Court Skills.
- 3.9 The PSW arranges quarterly children's social work briefings and bi-annual adult's social work briefings that provide critical space for social workers to share their views with senior leaders, ensure important information is shared face to face with frontline social workers. The sessions also have a learning and development focus often chosen by social workers themselves. These have proved to be highly successful with social workers reporting that they are able to apply their learning to practice and generally state in feedback that everything presented is of use to their practice. This year subjects have included dementia awareness, domestic abuse and coercive control, and Trauma informed practice when working with teenagers.
- 3.10 Due to the Covid 19 pandemic the joint Adult's and Children's Social Work Conference was postponed. The Conference was later translated to a virtual platform and will be reported in next year's annual report.
- 3.11 The Principal Social Worker's team now lead on the publication of monthly Adults Social Care and Children and Young People Updates. These are short articles that celebrate good practice and stories of success, provide information about up-coming training and share a message from the respective Directors of Children's and Adult's Social Care. Employees have reported that they enjoy receiving the update and find the information useful.
- 3.12 Experimental statistics published by the Department for Education (DfE) for the year ending April 2019 showed the national agency rate was 16%. It is argued that turnover (the frequency at which workers are leaving) is the more accurate indicator of the stability

of a workforce and hence of retention. The national data found the average turnover rate for child and family social workers was 16%.

- 3.13 The social work workforce in adults social care in the City of Wolverhampton has consistently had lower or similar turnover rates than national comparators (13.5%). In Children’s services agency rates and turnover rates were above the national average in 2016 and 2017 but have now reduced to below the national average. The City of Wolverhampton’s overall agency rate in Children’s Social Work was 11.7% in March 2019 and Turnover rate was 12.1%
- 3.14 The health check which will be discussed in more detail below asks social workers for their views on working conditions. The graphs below demonstrate that most social workers are planning to stay within the council for the next 12 months and generally feel positive about the workforce offer. Work will continue to further improve workforce recruitment and retention.



- 3.15 A key function of the PSW role is to support the training of new social workers. There are now many routes into social work and it is important that the City of Wolverhampton Council (CWC) takes a mixed economy approach to supporting the training of social workers in order to not only meet its own sufficiency needs but also contribute to the needs of the region. Developments that have taken place this year will mean that over the next two years the CWC will support the training of approximately 36 social workers per year. This is above the Councils usual annual turnover and therefore will make a contribution to the regional shortage of qualified social workers.
- 3.16 There are now four main workstreams that contributed to this; the West Midlands Teaching Partnership, Step up to Social Work, Frontline, the Degree social work Apprenticeships.
- 3.17 The West Midlands Teaching Partnership is in its second year of delivery following a strong recommendation from the DfE and DoH that the region should have just one Teaching Partnership. The partnership is the largest in the country and is made up of 16 local authorities and trusts (this include Cheshire East who were part of a previous teaching partnership in the north of the region) and nine Higher Education Institutes.
- 3.18 Social Work Teaching Partnerships (SWTPs) are a government funded initiative designed to: enhance partnership arrangements between Higher Education Institutions (HEIs) and employers; attract more able students; embed the knowledge and skills (post qualifying standards) into academic curricula and continuing professional development (CPD) for existing workers; and overall raise the quality of social work practice. The CWC offers approximately 18 placements each year to students completing traditional undergraduate and post graduate degrees.
- 3.19 The Principal Social Worker sits on the strategic board for the partnership and ensures the Council is represented in all three workstreams.
- 3.20 Step up to Social Work and Frontline are post graduate fast track social work programmes for people interested in the profession who have a 2.2 Honours Degree or above. Step up to Social Work is co-ordinated regionally and is delivered in partnership with the University of Birmingham. It is a 14-month condensed course. This year the CWC has joined the partnership and will provide placements for four students.
- 3.21 Frontline is a fast-track training scheme for social workers in child protection, which aims to attract outstanding graduates who may not previously have considered a career in social work. Participants complete most of their theoretical training whilst in social work placements, this allows them to transfer their learning into practice immediately. Participants are supported by a dedicated consultant social worker and a tutor who delivers theoretical training within the workplace. The PSW has worked collaboratively with Frontline to establish two Frontline units each having four participants, one consultant social worker and one deputy consultant social worker. As a result, the CWC will have supported the training of eight social workers through this programme.

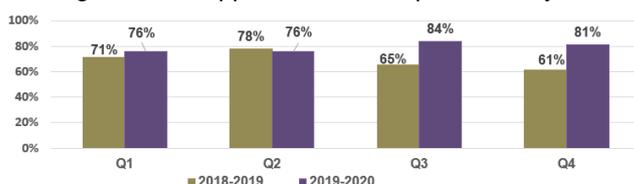
- 3.22 The new level 6 Degree Apprenticeship Social Work Standards were agreed in December 2018. This new award provides an exciting opportunity for existing social care employees to undertake a social work degree whilst remaining in full time employment. Two universities within the region made plans to deliver the programme, The University of Warwick was the first to go live and it is expected the University of Wolverhampton will begin delivery of the programme in September 2019. The CWC agreed to offer six placements to social care workers from both Adult's and Children's Social Care. Three places on the Warwick programme which began March 2019 and four started the University of Wolverhampton programme that started in September 2019.
- 3.23 The social work Health Check completed June 2019 identified a number of key themes:
- The survey had a response rate of 60% in CYP services and 65% in Adult Social Care (ASC).
 - In the both the Adult's and Children's health check workforce development was rated highly and most people felt that there were good opportunities for continuous professional development within the City.
 - Social work is a notoriously demanding profession, and this came through in both the Adult's and Children's survey with a high proportion of staff reporting some level of stress.
 - Social workers generally felt well supported by their line manager.
 - The number of people who felt proud to work the CWC had increased on previous years
- 3.24 Action plans were developed for both CYP and ASC and engagement sessions were undertaken to explore how the services could further improve the offer to employees and reduce the feeling of stress. In adult social care some administrative but time-consuming duties have been moved to more appropriate teams and within Children's Services caseloads have reduced due to a small increase in social work positions.

Adults

- 3.25 A key piece of work undertaken by the PSW and her team has been embedding the Three Conversations model across Adult Social Care.
- 3.26 The 'Three conversations' approach is a new way of working that replaces the default 'contact, divert, triage, reablement, assessment for services' process with a dynamic strength-based approach to listening to people, aimed at supporting independent lives, and reducing the need for dependence on formal services. It supports frontline employees to have three distinct and specific conversations. These conversations focus on helping people live what they feel is a good life, by utilising their own resource, resources within their local community and receiving formal support when required.

- 3.27 Three Conversations was rolled out in the City of Wolverhampton Council in May 2018 with the creation of three innovations sites in Adult Social Care, two in the East locality and one in the Mental Health team. A further site was created in July 2018 to specifically work with people on waiting lists in the West and North localities and the model was then rolled out in the remaining areas in August 2019.
- 3.28 The evaluation has concluded that the new way of working had resulted in improved outcomes for people and families and has increased productiveness. The views of some people who had accessed support under three conversations were sought as part of the evaluation. Overwhelmingly people reported that they received a timely response, felt informed and found the approach of the employee to be supportive and helpful.
- 3.29 One of the greatest success of the model was the reduction of waiting lists within Three Conversation sites. This has led to a timelier response to needs and as a result it appears that more families are able to avoid crisis situations which may, for example have resulted in the premature admittance of loved ones into residential care homes.
- 3.30 Further success included a reduction in the amount of time to complete a Care Act assessment by 25 days. Practitioners have also supported more adults with care and support needs to remain at home where this has been their wish by acting quickly, connecting people with services that offer support and being more creative about how identified needs could be met within the community. This resulted in a slight reduction in the number of people who moved to residential placements.
- 3.31 Quality Assurance activity has also evidenced improvements in practice 2019-20. 91 standard file audits were undertaken up to end of January 2020), as well as other thematic and dip samples were completed. This meant that by the end of March 2020 almost 4% of the files of people who receive a service from adult social care in Wolverhampton had been audited.
- 3.32 Many areas of strengths were evidenced including; evidence of personalised approaches and interventions which support the person to live the life they want, focusing on outcomes, the use of advocacy (there was improved performance at the end of Q4 2018-19, which has been sustained this year) and Effective multi-agency working and appropriate contributions by partners to planning and service delivery
- 3.33 One area of clear improvement over the year was the use of strength-based approaches.

Use of strengths based approaches has improved this year:



- 3.34 A quality assurance report is presented to the Transformation of Adult Social Care Board quarterly ensuring senior managers have oversight of the quality of frontline practice and

are able to use this information to inform improvement actions. The City of Wolverhampton have implemented a robust quality assurance framework that is not common place in adult social care.

- 3.35 As part of the development of Three Conversations model the relationship between performance and quality assurance has been strengthened. Performance information is more visible and accessible for frontline managers and practitioners. This enables managers to identify areas of poorer performance quickly, undertake quality assurance activity to better understand any issues and then implement development actions with team members to improve performance. Improvements can then be monitored weekly using the live performance information that is available.

Children and Young People

- 3.36 Restorative Practice was selected as the overarching practice framework for the Children and Young People's Service and implementation began in November 2016. It is a strengths-based approach that is fundamentally about building, maintaining and repairing relationships. It supports a strong relational way to delivering services, working with children and families, identifying strengths but also being able to effectively challenge where necessary. Whilst this approach is not new to most qualified social workers it is powerful to have a unified way of working and language around intervention and support that is shared amongst colleagues.
- 3.37 Two independent reviews have confirmed that the approach is well understood by employees and most areas are beginning to embed the approach.
- 3.38 This year significant progress has been made with embedding the approach. The new supervision tool uses the restorative model to understand the lived experience of the child, to consider what difference is being made by the social work intervention and to plan future actions and support for families. Restorative tools are also being used systematically within team meetings and reflective practice sessions to help social workers draw on the skills and knowledge of others to help them achieve good outcomes for Children.
- 3.39 The Principal Social Worker has convened a multi-agency restorative steering group. The wider partnership has now committed to training all frontline practitioners within the City in the restorative approach. 12 practitioners from Education, Health, Housing and the voluntary sector have been trained to deliver Restorative Practice training. This will enable Restorative Practice training to be delivered in a multi-agency setting going forward. Unfortunately, the multi-agency training was postponed due to the Covid 19 pandemic but ways to deliver this training virtually are now being explored.
- 3.40 The Principal Social Worker has been responsible for implementing the National Assessment and Accreditation Process (NAAS). The Children and Social Work Act 2017 gives the education secretary powers to set and assess practitioners against improvement standards. The NAAS is the primary programme linked to this section of the

Children and Social Work Act 2017. It involves the assessment of social workers against a set of standards set out in the Knowledge and Skill Statements for Children and Family Practitioners and The Knowledge and Skills Statement for Practice supervisors and Practice Leaders (these are now known as the post qualifying standards). The assessments will take place at a local assessment centre and the test include three elements;

- Employee endorsement – the employer’s assessment of the social worker or practice supervisor’s skills.
- A digital assessment based on the [child and family practitioner knowledge and skills statement](#) produced by the chief social worker for children.
- A simulated practice observation using role play scenarios with actors. This will include a written assessment component.

3.41 The Council was asked to enable between 20% and 30% of Children and Families Social workers to undertake the assessment in the first year. This equated to between 31 and 47 social workers. Unfortunately, assessments centres were closed before the end of the project due to the Covid 19 pandemic. It is however positive that 41 social workers had already completed the assessment, which meant that the 20% target was successfully met.

3.42 The National Chief Social Worker for Child and Family Social Workers has identified Wolverhampton Children’s Services as having exemplary performance in relation to the NAAS. 40 of the candidates met the standards on their first attempt.

3.43 Ofsted highlighted five areas of practice that required further improvement during their Focused Visit in September 2018. These related to the quality of assessment and planning, supervision, reducing caseloads and compliance in relation to quality assurance/audit.

3.44 The work of the Principal Social Worker to improve these areas were reported in the 2018/19 report.

- A new supervision tool has been designed which incorporates Restorative Practice into supervision.
- new assessment, analysis and planning training has been procured and learning will be imbedded through reflective practice sessions in teams.
- the audit process has been overhauled with the introduction of Practice Weeks (see below).

3.45 Practice Weeks are an innovative approach to audit and quality assurance that can ensure senior managers know what practice looks like and have regular contact with frontline practitioners. They were introduced in the CWC in November 2018 following a smaller scale pilot in September 2018. During Practice Weeks the Director of Children’s

Services along with all Heads of Service, the PSW and Service Managers spend four days undertaking audits alongside practitioners, observing practice and sitting in teams. The advantages of this approach include being able to see practice rather than just read about it, being able to see and feel how teams are functioning and being able to offer social workers immediate feedback on their practice. Practice Weeks have been received well and employees report enjoying the immediate feedback and opportunity to talk about their work with senior managers.

- 3.46 Practice Weeks have enabled the senior management team to be assured around thresholds and management of risk whilst highlighting areas for improved practice like consistent use of direct work tools and actives with children and young people and better engagement with father where issues of domestic violence are present. Action plans are developed following each practice week and improvements are monitored in subsequent audits.
- 3.47 Advanced practitioners play a key role in embedding good practice across the service. The PSW has continued to provide leadership, mentoring and coaching to six full time equivalent advanced practitioners appointed in the CYP Service. Meetings have taken place fortnightly to monitor progression of action plans, share learning and good practice and develop a shared understanding of what good social work practice looks like. Advanced practitioners are then able to model a consistent approach within teams.
- 3.48 They have provided practical support to newly qualified social workers by attending complex meetings with them, modelling good practice and helping them write good assessment and plans.
- 3.49 Advanced practitioners have also delivered training to all social workers on key themes linked to our Practice Improvement Plan including;
- how to write/create meaningful chronologies and genograms, these are powerful tools that help social workers understand the lived experience of the children and young people they are working with
 - How to chair effective family meetings, this is an important restorative tool that puts children and families at the centre of finding solutions to the concerns that have been raised by professionals.
 - Direct Work world cafes, these have enabled social workers to explore a range of direct work tools and approaches in order to improve the way in which engage and gain the views of children and young people.
- 3.50 Quality assurance activity has shown a steady improvement in the quality of practice being delivered by social workers. In 2019-20, 91 standard audits were completed. As well as this thematic audits, dip samples and observations of practice were also undertaken.

3.51 This activity has evidenced an increase of 45% in the number of audits being judged to be good or outstanding.

Audit Period	O	G	Total	RI	I	Total
2018-2019	3	37	40 (40%)	43	17	60 (60%)
Sept 2019 (audits)	2	9	11 (40%)	15	1	16 (60%)
Dec 2019 (audits)	5	19	24 (64%)	12	1	13 (36%)
Feb 2020 (audits)	1	22	23 (85%)	4	0	4 (15%)

4.0 Priorities for work plan 2020-2021

Workforce

- 4.1 Given the impact of the Covid 19 pandemic a key role of the Principal Social Worker will be to ensure that there are mechanisms in place to support social workers wellbeing and safety whilst they carry out their critical role with the residents of Wolverhampton.
- 4.2 A particular role that will be undertaken by the PSW is to continue to ensure that the Social Work Development plan incorporates a good development offer for social workers that enables them to continue to develop their practice whilst not being able to access face to face training. It is imperative that social workers are highly skilled as it is known that good social work intervention can reduce the risk of children needing to be received into care and can enable adults with additional needs to remain or become as independent as possible. These are outcomes that are desirable for the children, families and adults who are in receipt of social care services. They also ensure that Council resources are being used appropriately and effectively.
- 4.3 The PSW will ensure that issues relating to tackling inequality for all groups of people with protected characteristics is well incorporated into the development plan. This will include training that relates to anti-racist and anti-discriminatory practice as well as raising awareness about issues that relate to gender reassignment and sexual orientation.
- 4.4 The post holder will be responsible for continuing the local delivery of the National Assessment and Accreditation Process (NAAS).
- 4.5 Embedding the Three Conversations model across ASC continues to be a significant priority for the service area. It must deliver the cultural change around strength based and relational practice resulting in improved customer experience. The post holder is the senior reporting officer for the project and will work closely with the project team and frontline practitioners to ensure the outcomes of the project are achieved.
- 4.6 The post holder will continue to play a key role in the embedding of restorative approaches within the Children and young People's Service and across the children's partnership. This will include Adult Social care where restorative approaches will be

embedded in order to further equip employees with strength-based skills that will compliment the Three Conversations model.

- 4.7 The PSW will continue to provide leadership, mentoring and coaching to the six (FTE) advanced social work practitioners to be appointed in the Children and Young People Service. The focus of this work will be to support the ongoing transformation of children's services through the ongoing improvement of frontline social work practice. Advanced practitioners will assist with the establishment of consistently "Good" and "Outstanding" practice across CYP services.
- 4.8 In July 2018, the government published a Mental Capacity (Amendment) Bill, which passed into law in May 2019. It replaces the Deprivation of Liberty Safeguards (DoLS) with a scheme known as the Liberty Protection Safeguards (LPS). Prior to the pandemic councils had been working towards a start date for implementation of October 2020. Work on LPS stopped during Covid and the Department for Health and Social Care asked councils not to prioritise it.
- 4.9 On 16 July 2020 Helen Whately (Minister for Care) issued a statement confirming that full implementation of LPS will take place by April 2022 with some provisions coming into force earlier. The Department for Health and Social Care Policy team produced a timeline for implementation in their September newsletter. The PSW will be responsible for ensuring the Council is structurally ready to implement the changes in April 2022 and the workforce have received appropriate training and preparation.

Recruitment and Retention

- 4.10 The post holder will continue to take a lead responsibility along with Human Resources and Workforce Development for the implementation of the recruitment and retention plan. This will include setting up a social work education steering group. The steering group will provide strategic governance for the five workstreams, provide strategic challenge and support to ensure social work education within the Council is of a good quality and ensure all work is effectively co-ordinated and aligned. As a result of this more highly skilled and knowledgeable social workers will be trained in order to help meet the local and regional demand for good quality social workers.
- 4.11 The PSW will work with Human Resource, Organisational Development and Heads of Service to implement plans that will begin to reduce the payment gap for BAME employees within the service. Work will be undertaken to ensure BAME employees have access to career development and support that will enable more to successfully progress within eth service areas.

Social Work Voice at Strategic Level

- 4.12 Undertaking and analysing the annual Social Work Health Check is key to improving social work recruitment and retention. The quality and improvement team will continue to support a greater level of engagement with social workers about the findings and

associated actions in order to ensure social workers know their feedback is welcomed and taken seriously by senior managers

- 4.13 The post holder will continue to support a range of engagement activities between the Directors for Adults and Children's Services and the workforce by hosting social work briefings, facilitating face to face inductions, facilitating the Adults social Care and Children and Young Peoples Update and arranging employee engagement sessions as and when required.
- 4.14 Attendance by the PSW at the Children and Young People's and the Adults management team meetings on at least a monthly basis to ensure operational engagement and oversight.

Quality Assurance

- 4.15 The PSW will review and refresh the Quality Assurance Framework to ensure it incorporates analysis of all data and information relating to performance including compliments and complaints, Child Safeguarding Practice reviews, Adults Safeguarding reviews and all quality assurance activity.

Local and Regional and National leadership

- 4.16 The PSW attends quarterly national principal social work network days facilitated by the Association of Directors of Children's Services. These meetings are learning and development opportunities. It provides opportunity for the national Chief Social Workers for adults and children to share the direction of travel, answer questions and receive feedback from PSW's. These events also provide opportunity for the sharing of good practice. Notes are shared with the appropriate leadership team following attendance at these events.
- 4.17 The PSW also attends regional network meeting on a bi-monthly basis. This allows regional work to take place as directed by the regional West Midlands Association of Directors of Children's Services and the Association of Directors of Adults Services.
- 4.18 The post holder also sits on the strategic board for the Regional Teaching Partnership and the project team for Future Social.

5.0 Evaluation of alternative options

- 5.1 The priorities outlined within this report will contribute to the transformation of ASC and CYP Services.

6.0 Reasons for decision

- 6.1 The role of the PSW contributes to a number of key priorities across CYP and ASC Services. The post holder is the senior reporting officer leading the culture change programmes in ASC and CYP Services. Restorative Practice in CYP and Three Conversations in ASC are approaches and models that enable social workers to build professional relationships with people who need services that help and promote a

strength based approach to their practice. These approaches will enable the workforce to strengthen families where children are at risk, promote the independence of older people and people with disabilities as well safeguarding people in vulnerable situations.

- 6.2 The PSW provides dedicated resource to the recruitment and retention strategy which in turn helps the Council reduce its spend on agency. The role is also responsible for raising the profile of social work in the City which also contributes to making the City of Wolverhampton a social work employer of choice.
- 6.3 The role also provides the professional knowledge required to drive local and regional workforce development plan that will help develop good and outstanding

7.0 Financial implications

- 7.1 There are no direct financial implications arising directly from this report. Any costs arising from the actions in the workplan and priorities set by the PSW will be met from existing budgets.
- 7.2 The table below shows for Adults and Children’s services how agency costs, of which social workers will be a large proportion, have reduced over the past three years. These figures are at today’s prices and have not been adjusted for inflation, pay award etc.

Adults Services	2017-2018	2018-2018	2019-2020
	£m	£m	£m
Total Staffing costs not including agency staff	19.1	19.1	18.6
Agency Staff costs	1.6	1.7	1.3
Childrens Services	2017-2018	2018-2018	2019-2020
	£m	£m	£m
Total Staffing costs not including agency staff	22.2	23.4	24.2
Agency Staff costs	3.5	2.7	2.0

[JB/29102020/D]

8.0 Legal implications

- 8.1 There are no direct legal implications arising from this report. The relevant legislation and guidance is incorporated in the body of the report.
- [TC/26102020/A]

9.0 Equalities implications

- 9.1 The role of the Principal Social Work is a key one in our leadership arrangements to continually improve the quality of our social work practice. Social workers provide support to the whole community including the full range of diverse groups. Excellent

quality social work practice will be more attuned to the equality issues experienced by individuals, families and communities. High quality social work will more competently deploy required skill in the practice situation. This annual report shows some of the ways being used to strengthen this aspect of social work practice e.g. updating and widening the influence of the social work Quality Assurance Framework.

- 9.2 The PSW will ensure that issues relating to tackling inequality for all groups of people with protected characteristics is well incorporated into the development plan 2020/2021.

10.0 Environmental implications

- 10.1 There are no environmental implications arising from this report.

11.0 Human resources implications

- 11.1 There are no human resources implications. However, it is noted that close collaborative working has taken place over the last year on the implementation of the recruitment and retention strategy and action plan. This includes back office support and attendance at Social Worker interviews and recruitment campaigns.

12.0 Corporate landlord implications

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

13.0 Health and Wellbeing Implications

- 13.1 Good social work practice will support the health and wellbeing of children, young people and adults who access services.

14.0 Covid implications

- 14.1 The service adapted quickly and has been able to continue to recruit social workers using virtual methods.
- 14.2 This service has successfully been able to continue to offer placements to social workers in training. There are currently a total 27 students placed within the City.
- 14.3 Organisational Development has successfully moved all key training opportunities for social workers to a virtual platform.
- 14.4 It is important that social workers undertake good quality direct work face to face work during the Covid 19 pandemic. This ensures that statutory duties are undertaken and children in need of help and protection continue to be safeguarded.

15.0 Schedule of background papers

- 15.1 There are no background papers.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 November 2020
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Report title	Community Asset Transfer – Policy and Strategy Review	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Jacqueline Sweetman City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Mark Taylor, Deputy Chief Executive	
Originating service	Assets	
Accountable employee	Luke Dove Tel Email	Strategic Asset Manager, Assets 01902 557121 Luke.Dove@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Scrutiny Board Cabinet	11 February 2020 6 October 2020 11 November 2020

Recommendation for decision:

Cabinet is recommended to:

1. Approve the revised Community Asset Transfer Strategy.

1.0 Purpose

- 1.1 The purpose of this report is to highlight the most significant changes to the revised Community Asset Transfer Strategy and seek the Cabinet's approval of the same.

2.0 Background

- 2.1 A Community Asset Transfer (CAT) is where a public body transfers the management and/or ownership of an asset, sometimes including associated services to a voluntary community organisation (VCO).
- 2.2 The CAT Strategy provides a clear guidance document for both the public body transferring the asset and VCO taking on the same in line with relevant legislation and policies.
- 2.3 In the current climate a CAT supports community empowerment and offers an opportunity for assets and/or services to be retained in areas that the Council may not be able to develop or continue to fund itself. It also allows for a more innovative approach to be explored through community lead initiatives with the support of the Council
- 2.4 The Council currently have an existing CAT Strategy, however given the fluid nature of both the economic and social environments, an updated version is required to ensure all applicable outcomes are addressed in line with current Council policies and meets the needs of both the public body and VCO's.

3.0 Key updates to new strategy

- 3.1 The new CAT Strategy is customer focused and is intended as a guidance document to inform its users.
- 3.2 It provides clear direction on what a CAT involves for all parties including highlighting associated benefits and risks so that there is complete transparency from the outset.
- 3.3 Provides a clear timeline for the CAT process which is supported by the Council's governance and recently updated asset management and disposal process to allow management of stakeholder expectation and appropriate forward planning
- 3.4 The new Strategy is Flexible to allow for differentiating circumstances as no two Community Asset Transfers are the same.
- 3.5 It is aligned with the Council Plan 2019-2024 and supports the 'Wolverhampton for Everyone' initiative.
- 3.6 It supports delivery of the Strategic Asset Plan 2018-2023 and upholds the core PRIDE values
- 3.7 It allows for a more innovative approach to be explored through community lead initiatives with the support of the Council

4.0 Option appraisal

4.1 A number of points were considered when updating the new policy and through collaboration both with various Council service areas and the Voluntary Sector, the updated Strategy as presented allows the enablement of transfers that will have a positive impact and assists in avoiding those that may have a detrimental effect through applying a systematic approach. This provides a robust and fair approach to ensure that we are allowing Community organisations to excel, whilst ensuring that the Council's interests are sufficiently safeguarded.

5.0 Reasons for decision

5.1 The updated CAT Strategy provides a robust, clear and fair approach in line with current legislation and policies to ensure that we are allowing community organisations to excel, whilst ensuring that the Council's interests are sufficiently safeguarded.

5.0 Recommendation

5.1 To approve the revised Community Asset Transfer Strategy.

6.0 Financial implications

6.1 There are no direct implications arising from this report.

6.2 The financial implications associated with each potential asset transfer will be assessed on a case by case basis and subject of future reports to Councillors for approval, in line with the proposed strategy detailed within this report.

6.3 Applications for community asset transfer will need to be balanced against the market value of the asset and the Council's established requirement to generate both rental income and capital receipts from its property holdings.
[TT/03032020/W]

7.0 Legal implications

7.1 The Council will need to ensure that it complies with S.123 Local Government Act 1972. This requires the Council to obtain best consideration reasonably available when disposing of assets. Disposal includes freehold transfers and the granting of leases for a term of more than seven years.

7.2 A general consent has been issued by the Secretary of State which allows disposals at an undervalue provided that the undervalue is for a sum of less than £2.0 million and the disposal will promote the economic, social or environmental wellbeing of an area.

7.3 Any Community Asset Transfers will need to comply with these requirements. State Aid will also need to be considered on a case by case basis.
[TS/03022020/R]

8.0 Equalities implications

8.1 There are no equalities implications arising from this report.

9.0 Environmental implications

9.1 There are no environmental implications arising from this report.

10.0 Human resources implications

10.1 There are no human resources implications arising from this report.

11.0 Corporate landlord implications

11.1 The new CAT Strategy will provide a clear and consistent approach to Community Assets Transfers moving forward to assist with the efficient management of the Council's asset portfolio.

12.0 Health and Wellbeing Implications

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

13.0 Covid implications

13.1 There are no Covid implications arising from this report

14.0 Schedule of Background Papers

14.1 None.

15.0 Appendices

15.1 Appendix 1 – Community Asset Transfer Strategy

**CITY OF
WOLVERHAMPTON
COUNCIL**

**Community Asset Transfer
Strategy**

A Community Asset Transfer (CAT) is the process of when a Public Sector Body transfers the management and/or ownership of a property asset, sometimes including delivery of associated services, to a Voluntary Community Organisation.

Contents

- 1 What is a Community Asset Transfer?
 - 1.1 Why are CAT's important?
 - 1.2 Purpose of the Strategy
 - 1.3 Regulatory Framework

- 2 Who can apply for a Community Asset Transfer?

- 3 Community Asset Transfer Process
 - 3.1 Assessing Community Asset Transfer Applications
 - 3.2 Timescales

- 4 Guidance for the Applicant
 - 4.1 Application Criteria
 - 4.2 Engagement and Consultation

- 5 Expression of Interest Form

1. What is a Community Asset Transfer?

A Community Asset Transfer (CAT) empowers the community to own and manage their own facilities.

The strategy can be applied in circumstances where strategic priorities, at both corporate and community levels, can be addressed by Voluntary Sector Organisations through achieving service continuation and improvements along with social value benefits.

All CAT's are individual and as such will each demonstrate their own individual characteristics. A number of key themes will however be present in all transfers including:

- CAT's are to be community lead and meet the community demands;
- All details concerning the transfer must be transparent; and
- The project and associated transfer must be sustainable.

CAT's can be conducted at less than market value if it can be evidenced there is a local social, economic or environmental benefit, but is important to note that a balance needs to be achieved between community asset transfer and the Council's financial requirement to generate capital receipts through disposal of its surplus property.

1.1 Why are CAT's important?

The Council continues to face a challenging financial climate for delivery of public services due to ongoing cuts to the budget provided from the UK government. This can result in certain areas of the community feeling isolated and unable to develop, particularly in those areas in greatest need of economic stimulation.

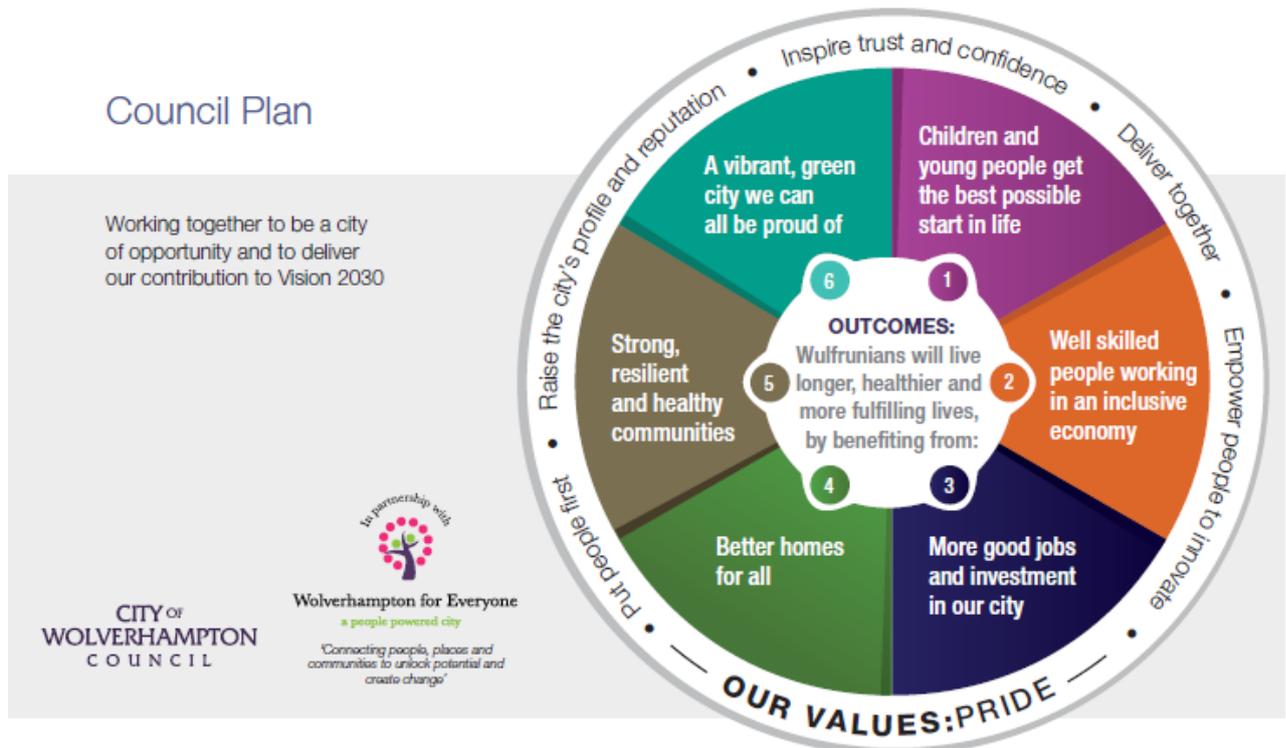
CAT's are important as they support community empowerment by ensuring that land, buildings or services are retained or transformed and can continue to be of benefit for the public through community ownership and management. Where public assets are made available, it can assist both communities and local leaders improve the local area and the Council recognises that with the appropriate support, these community lead initiatives can achieve better outcomes through providing a perspective that the Council may not be able to develop itself.

1.2 Purpose of the Strategy

This strategy is issued in accordance with the Local Government Act 1972 and is intended to act as a guide for:

- Decision makers within the transferring body (The Council);
- Voluntary Community Organisations (Community Associations, Voluntary Organisations, Charities, Social Enterprises, Community Businesses) who wish to apply for a CAT; and
- The wider public who will be the beneficiaries of the asset transfer through the service it provides within the community.

It will provide an integrated solution to assist in safeguarding against issues both now and in future generations and aids delivery of the key themes detailed within the Council Plan 2019 -2024, with particular emphasis around providing correlation with the core values of the 'Wolverhampton For Everyone' initiative. It also ensures the Council PRIDE values are upheld and supports delivery of the Strategic Asset Plan 2018 – 2023.



This CAT Strategy is intended to provide a framework for the City of Wolverhampton Council and their partners to address and assist with the transfer of assets to predominantly local voluntary and community organisations (VCO's), larger national organisations will not be excluded. CAT methodology must centre on mutual benefit through a joined-up vision to achieve a shared goal.

The definition of a VCO as adopted for the purpose of this strategy is the same as that adopted for Mandatory Rate Relief which details that a VCO falls into one of the following categories:

- i) a charity which is included in the register of charities;
 - ii) an organisation, which although not a registered charity, is established for charitable and philanthropic purposes only and provides for the relief of poverty, the advancement of religion, education or other purposes beneficial to the community including science, literature or the fine arts;
- or

- iii) an organisation which is registered with the Inland Revenue as a Community Amateur Sports Club (CASC).

Successfully managing a building or service carries risks and this CAT strategy aims to provide a fair and accountable approach for the transfer of assets from the Council to local community groups. It is to be adopted by VCO's to measure their state of preparedness to initially undertake a transfer through demonstrating the viability of their proposal indicating their ongoing capacity and capability to appropriately manage the asset.

The Strategy will also allow the Council to assist VCO's in providing ongoing support in an open and innovative manner to support the sustainable future management of the asset through greater levels of engagement.

The key message from the CAT Strategy is that it provides a transparent corporate process for asset transfer detailing both clear stages and timescales for each party, with a mutual understanding of the long-term implications and opportunities associated with both the success and failure of the venture.

1.3 Regulatory Framework

Local Authorities can dispose of property in several ways. However, guidance issued by the UK Government stipulates that any Local Authority who are disposing of publicly owned assets must do so in an appropriate manner and be correctly accounted for.

The disposal of a public asset is usually conducted on a commercial basis to ensure compliance with the general legal requirement that a Local Authority must achieve best value for the property, commonly referred to as 'best consideration'.

This is detailed within Section 123 of the Local Government Act 1972.

There are certain circumstances that allow the Council to dispose of an asset below market value. This is usually where it can be supported by demonstrating that the disposal will provide benefit to the community through improvement to the economic, social or environmental well-being of the locality.

It is also necessary to consider the legislation concerning State Aid when conducting a CAT. This is where assistance is selectively provided from a publicly funded body to organisations conducting economic activity. Further advice can be found on State Aid on the UK Government website:

<https://www.gov.uk/guidance/state->

2. Who can apply for a Community Asset Transfer?

A CAT can be undertaken by a Voluntary Community Organisation (VCO), including larger national organisations. This is detailed further in section 1.2 of this strategy.

The organisation must be driven by value rather than profit and will demonstrate social, cultural or environmental objectives with any surpluses reinvested to further benefit the community they serve.

3. Community Asset Transfer Process

The Council have a robust asset management process to support overall delivery of the 'Our Council' programme and in particular 'Our Assets'.



Our Assets

We will rationalise our buildings, vehicles and equipment to provide better use for ourselves, our communities and our partners. Our assets will be used to unlock investment in the city, by providing space for new homes and developments that bring wider economic benefits.



Our Data

We will use data and insight to lead policy development and decision making. Data will be open and available, enabling people to engage with us more freely and to ensure decision making is closely aligned with communities' needs. We use data confidentially to be effective and efficient.



Our Technology

We will embrace digital technology throughout our organisation to enhance customer access and will continue to improve the efficiency and joined-up nature of our services. Our communities and partners will be able to self-serve and access information when they want it, how they want it.



Our Money

We will have a sustainable, agile organisation able to work with partners and communities to unlock the potential of our city. We will operate as efficiently as possible whilst embedding a commercial culture throughout the organisation to meet our financial challenge.



Our People

We will continue to develop a highly talented and empowered workforce with the skills, drive and innovation to meet ever changing demands, and to work collaboratively and confidently to tackle our city's priorities.

This includes regular reviews of property holdings to ensure any assets surplus to requirements are identified, including those potentially suitable for a CAT and are then subject to the Council's disposal process.

This process allows assets to be identified and excluded as a potential CAT where they have been identified for alternative Council use including economic development purposes and those that have the capability to generate significant capital receipts on the open market assist in funding capital projects. The Disposal process allows consideration of assets identified for disposal from various originating sources and is flexible to deal with these varying circumstances. The process also allows the Council flexibility to engage with a particular organisation based on the asset and nature of proposed disposal.

Where assets have been identified as suitable for CAT, they will be published on the Council website to allow a fair and transparent process for all interested parties to submit their expression of interest on the pro-forma provided. The link for this is detailed below.

<https://www.wolverhampton.gov.uk/business/business-property/community-asset-transfer>

There will be a staged approach to the CAT process (as detailed below) that is of benefit to both the applicant and the Council. This ensures valuable resources are not spent preparing and assessing a full business case that has minimal chance of progressing and to also highlight any areas where a business case may be improved.

Stage 1 – Expression of Interest

Asset listed by the Council for potential CAT or identified by a VCO for consideration with an Expression of Interest form to be completed by applicant. Suitability of the asset will be considered by the Council along with the scope of transfer. If the asset or any applications (if more than one) are identified as not suitable at this stage, all applicants will be notified. Assets will be listed for a defined period as set by the Council.

Stage 2 – Council Disposal Process

Having been identified as potentially suitable for CAT, the asset will then be subject at this stage to the Council's disposal process.

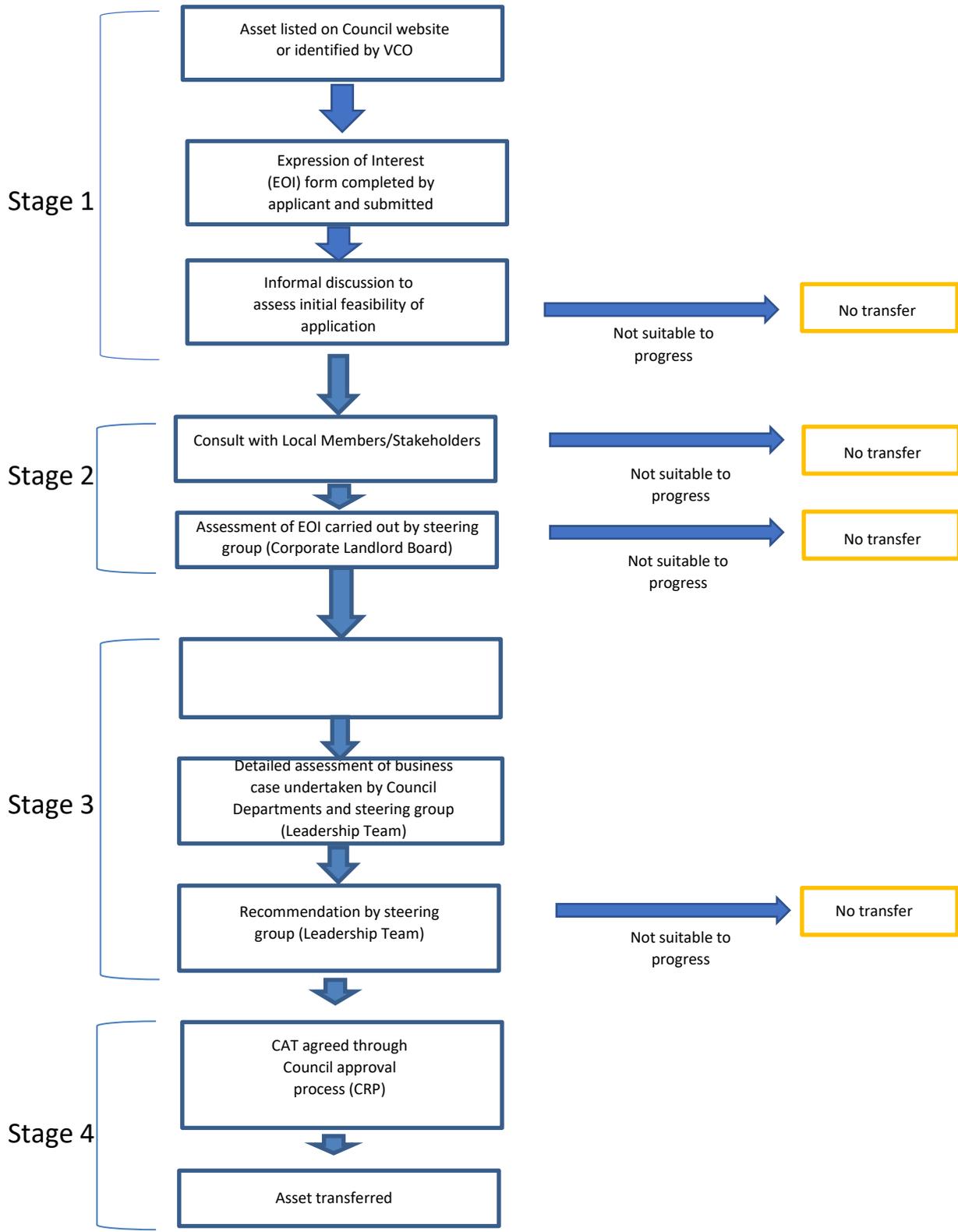
Stage 3 – Full Business Case

If successfully passing through the disposal process, any applicant having progressed from Stage 1 will now be required to submit a full business case. The criteria for this are detailed further in section 3.1 'Assessing Community Asset Transfer Application'

Stage 4 – Decision and Completion

Subject to the business plan received being acceptable, the Council will then make a recommendation and seek the authority required for the CAT to progress and complete the formal transfer.

Community Asset Transfer Process



3.1 Assessing Community Asset Transfer Applications

It is important that any decision process concerning CAT's are transparent and the applications are assessed against clear and consistent criteria. This is of particular importance where there may be several VCO's interested in the same asset. This section will address how the application itself will be assessed, while further details on the Applicant criteria can be found in section 4.1 of this strategy.

When assessing an Expression of Interest(s), the Council will appraise all applicable applications against other options for the asset. This will be to substantiate the social and economic benefits that each proposal may deliver. This allows the Council to ascertain potential risk for each option and to justify any decision. These options may include:

- Rejection of the application;
- Freehold transfer at Market Value (or best consideration);
- Long-term leasehold (preferential for CAT to allow all parties to realise objectives); or
- Short-term leasehold, tenancy at will, licence to occupy, tenancy agreement.

If a CAT is deemed to be the most appropriate option, several factors will need to be addressed in assessing the rationale provided by the applicant(s) as to their suitability. This allows the Council and the applicant to ensure any identified risks in managing the asset are reduced prior to transfer.

The main elements to be addressed include the following:

- Applicant meeting the eligibility Criteria (further detail provided in section 4.1)
- Asset ownership;
- Outline proposal for the asset use and scope of transfer
- Organisational health check;
- Business Plan and Finance (required if application is progressed to stage 3 with further details provided for applicant in section 4.1).

The business plan element would provide detailed information addressing a number of criteria on which the application would be assessed including:

- What community benefits will be realised by the transfer;
- The value of any charges payable by the Council in relation to the transfer;
- How the interests of local people will be better served;
- The capacity of the applicant and their sustainability;
- Financial resilience of the applicant;
- Regeneration, social, environmental and economic benefits realised;
- Planning policy;
- How the transfer would assist Council efficiency and co-location of service providers;
- Relevant knowledge, including experience of delivering in the community;
- Proposed terms of transfer;
- How the transfer may impact on the future operations of adjoining or retained assets;
- Measures for safeguarding future management of the asset if the applicant ceased to exist including contract terms and covenants.

It must be acknowledged that there is no standard CAT with each asset being considered being unique. As such, all CAT requests will be considered and judged on its own merits and individual arrangements will be agreed as part of the process. To support this the Council will endeavour to provide as much information to support the applicant as practicably possible but should not be compelled to provide information that has no relevance or that does not exist. At all stages of the CAT process, the Council will ensure as much detail as possible is made available to the applicant in relation to any responsibilities and liabilities that may be incurred in connection with the transfer. Further advice is available from the Wolverhampton Voluntary Sector Council.

Where several parties expressing an interest in the same asset, the Council will aim to encourage collaboration where possible. Where this is not a suitable, a competitive process will be undertaken with both applications then assessed on their individual content, whilst ensuring that the Council attempts to obtain 'best consideration' in accordance with Section 123 of the Local Government Act.

3.2 Timescales

The below outlines timeframes for the Community Asset Transfer process.

Stage 1 – A decision on the initial EOI will be made within 4-6 weeks once received by the Council.

Stage 2 – If the application is progressed, a stage 2 decision will be provided within 16 weeks

Stage 3 – A full business case assessment will be conducted within 12 weeks of receipt.

Stage 4 – Following approval of the stage 3 business case, approval and completion will take place within 16 – 24 weeks.

Total timescale – Up to 58 weeks

Please note that the above timescales should be used as guidance only. Sufficient time will be granted to all parties to collate and provide the required information at each stage and any decisions will be communicated to the applicant in a timely manner with reasons to support the outcome. It is also important to recognise that where there are external dependencies such as decisions on funding or large, complex issues, this could take up to 24 months to resolve and complete.

4. Guidance for the Applicant

When a VCO applies for a CAT, it must familiarise itself with the Council's strategy on the matter and any associated policies. Organisations need to be aware of the scale of commitment required successfully manage the asset post transfer and offer sustainability in the long term as opposed to just securing the asset for transfer. The support required will be identified as part of the Full Business case submission and analysis.

The Council recognises that ongoing support of the VCO will be required post completion and recognises that the partnership extends beyond the point of transfer to ensure longevity of the transferred asset.

The below guidance provides an overview of what is required from the Applicant at stage 1 (Expression of Interest) and stage 3 (Full Business Case) of the CAT process.

Stage 1

The initial Expression of Interest (EOI) should provide the Council with enough information to enable a decision to be made as to whether the application will be progressed to the next stage. The information to be provided in the EOI form should include:

- The name and contact details of the organisation;
- The type of organisation;
- The structure and purpose of the organisation;
- The details of the asset and transfer type requested;
- The proposed use of the asset;
- Details of any experience in managing assets and associated services;
- The benefits to be realised by the community, the organisation (Applicant) and the Council;
- Details of partners, collaborators, stakeholders and community involvement;
- Statement from sponsoring Council service if supporting the proposal;
- Initial financial information to support the proposal.

Stage 3

The stage 3 business plan should provide an in-depth proposal that will allow the relevant Council steering group (Leadership Team) to make an informed assessment of the application against the criteria. It will provide the Council an overview of the financial position of the organisation and associated risk, evidence of proven track records delivering similar projects and how future opportunities will be maximised. This will include details of;

- **The Project** – Detailed information concerning the organisation, values and mission statement complete with aims and objectives;
- **The Market** – Information on how the project will serve the community through existing and target markets along with the potential realisable benefits and identify opportunities for building partnerships through collaboration;
- **Business Growth and Development** – This will provide a business development strategy for the organisation over a minimum 5-year period;
- **Management and Operations** – A complete breakdown of all governance, staffing details, relevant policies and procedures alongside details for operating the asset and service on a day to day basis and development plans for community activities;
- **Development Plan** – Details of the project and organisation sustainability and potential expansion opportunities;
- Planned income for a minimum of 5 years, expenditure profile, and income generation proposals (grants/fundraising/sponsors etc)
- **Risk Management** – A clear understanding and acknowledgement of risks associated with the project and asset transfer with supporting mitigation plans.

The Council will consider the level of responsibility that is appropriate to be transferred to the VCO, however it is advised that all applicants take independent advice to understand their legal and financial responsibilities before proceeding.

4.1 Application Criteria

To be eligible for a CAT, the applicant will need to consider the following:

The Applicant

- The Applicant must be a legal entity that meets the criteria of a VCO as detailed in this strategy
- Must exist for community/social/environmental benefit
- Demonstrate community engagement

- Demonstrate it has the capacity and skill to deliver both the service and manage the asset
- Be able to provide copies of annual reports and accounts when required
- Must benefit a diverse and wide range of people as possible and operate an all-inclusive approach
- It must directly benefit the local community and its residents
- Demonstrate good financial control with appropriate process in place
- Be non-profit and invest surpluses into the community it serves

The Asset

- Have a legal interest owned by the Council
- Multi-use and co-location are to be encouraged where possible

The Proposed Use

- There should be a need and demand for proposed services
- The proposed use will support delivery of the Council Plan 2019 -2024
- The use of the asset will maximise opportunities to ensure sustainability
- The asset will be utilised at an optimum
- The use will be open to all

4.2 Engagement and Consultation

All potential applicants are encouraged to engage with Voluntary Sector Representative Organisations to assist in preparation of EOI's and Business Plans. This will help reduce the number of unsuccessful applications and to provide guidance for VCO's in determining if an asset is viable and fit for purpose.

The following organisation can provide such support within Wolverhampton:

Wolverhampton Voluntary Sector Council

<http://www.wolverhamptonvsc.org.uk>

It is also recommended that VCO's engage and request support from Councillors as they will have links with local groups and provides evidence of community engagement.

5. Expression of Interest Form

The link below will direct you the Council website where the Expression of Interest Form can be completed electronically

<https://www.wolverhampton.gov.uk/business/business-property/expression-of-interest>

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 November 2020
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Report title	Housing Allocations Policy Implementation	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Jaqueline Sweetman City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, Director for City Environment	
Originating service	Housing Strategy	
Accountable employee	Henry Gregory	Housing Customer Insight Manager
	Tel	01902 555159
	Email	Henry.gregory@wolverhampton.gov.uk
Report to be/has been considered by	City Environment Leadership Team	13 October 2020

Recommendations for decision:

The Cabinet is recommended to:

1. Approve amendments to the Housing Allocations Policy as detailed in paragraph 3.6 of the report.
2. Approve an extension to the implementation of the Housing Allocations Policy.
3. Delegate authority 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.

1.0 Purpose

- 1.1 The purpose of this report is to seek approval from Cabinet to extend the implementation period of the revised Housing Allocations Policy which was approved at the meeting of the Cabinet, 19 February 2020.
- 1.2 The report also seeks approval for minor amendments to the policy as a result of issues identified during the implementation period.

2.0 Background

- 2.1 Local Authorities are required by the Housing Act 1996 to have a scheme for determining priorities, and the procedure to be followed, in allocating housing accommodation both to first time applicants and transferring tenants including nominations to Registered Providers (Housing Associations); the Allocations Policy.
- 2.2 City of Wolverhampton Council (CWC) own over 22,000 properties within the city, that are managed across five managing agents; Wolverhampton Homes and the city's four tenant management organisations (TMOs), who are all required to allocate and let the properties they manage in accordance with the Allocations Policy.
- 2.3 Following a full review of the Allocations Policy throughout 2019, including a six-week public consultation period, Cabinet approved a revised Housing Allocations Policy in February 2020. The implementation of the new policy was agreed to be staggered, with the elements of the policy not reliant on the development of a new ICT system to be introduced in April 2020, while the full policy would be implemented in February 2021 following the development of a new Northgate ICT system, which is used by Wolverhampton Homes to manage the allocations process.

3.0 Progress

Policy Implementation

- 3.1 The elements of the revised policy that were not dependent on the development of a new ICT system have been implemented and have been in operation since April 2020.
- 3.2 The outbreak of the COVID-19 pandemic one month after the official launch of the project to implement the revised Allocations Policy has had a significant impact on the project's timeline. The Council and its Managing Agents were required to focus on day to day service delivery rather than on projects that aim to improve those services for customers in the longer term. As such, the technical work that was scheduled to be completed on the Project was delayed by a number of months, while officers focused on providing emergency services including prioritising the housing of rough sleepers and those in temporary accommodation. This resulted in project officers not having the capacity to progress the work required to keep in line with the timescale during the lockdown period.

- 3.3 Whilst work has since commenced on the project, its delivery is reliant on the work of Northgate consultants to support the build of a new ICT system. The Council has been advised that due to the delay in the project timeline it will not be possible to complete this work by the approved date of February 2021, Cabinet is therefore asked to approve the extension of the initial implementation date.
- 3.4 Cabinet is also asked to approve the delegation of authority to the Cabinet Member for City Assets and Housing in consultation with the Director for City Environment to authorise a revised 'go live date' of the new policy once the Council has been satisfied that the new system meets all technical requirements.
- 3.5 If the recommendations of the report are approved, all applicants on the housing register will be informed of the extended implementation period of the revised policy.

Minor Policy Amendments

- 3.6 Whilst developing the technical specification for the new ICT system, a number of suggested policy amendments have been identified which were not detailed during the initial review of the Allocations Policy:

Section 11.5 of the Allocations Policy (Appendix 1), details the circumstances in which applicants will be given lesser preference and have their application suspended until such time their reason for lesser preference has been resolved. One scenario where an applicant would be considered as having lesser preference is in instances where an applicant owes debts of more than £400 to a Council or Registered Provider or more than £600 where Universal Credit is a contributing factor. Currently, this does not apply to applicants who are being supported to move due to domestic violence, it is recommended that this exemption is extended to cover applicants who qualify for 'Band 1 Social Grounds', as detailed in paragraph 15.2 of the policy.

Paragraph 7.5 of the Policy sets out the maximum level of income and/or assets required in order to be eligible for an allocation, it is recommended that an exemption is added to this requirement for applicants who are moving due to domestic violence through the means of a case conference, as set out in paragraph 19.5 of the policy.

4.0 Evaluation of alternative options

- 4.1 Option one would be to implement the recommendations of the report, ensuring the Council is meeting its legislative requirements and is responding to the current operating environment as reflected by the revised policy objectives, including making best use of homes and ensuring those in the greatest housing need have the greatest opportunity for accessing suitable accommodation.
- 4.2 Option two would be to not implement the recommendations of this report, this would result in the new Allocations Policy not being implemented by the originally approved date of February 2021, this option is therefore not recommended.

5.0 Reasons for decision

- 5.1 Option one will ensure the Allocations Policy remains as fit for purpose as it can be dependent on the development of the IT system. This is important as allocations policies make decisions that change people's lives and housing opportunities and so need to reflect the latest legislation, regulation, case law and the local market.

6.0 Financial implications

- 6.1 The one-off costs for the development of the Northgate system, estimated in the region of £10,000 were approved in the Cabinet report of February 2020, these costs remain unchanged by the recommendations of the report.

[JM/02102020/B]

7.0 Legal implications

- 7.1 The Council as a Local Housing Authority is required to allocate housing accommodation in accordance with Part VI of the Housing Act 1996. Section 167 of the Act requires the Authority to have an allocation scheme and to allocate housing accommodation in accordance with the scheme.

[RP/02102020/A]

8.0 Equalities implications

- 8.1 An equalities analysis has been undertaken, which demonstrates the positive intentions of the changes to the Allocations Policy. There has been ongoing liaison with CWC's Equalities Team throughout the development and implementation phase of the Allocations Policy to ensure applicants are clearly communicated with and are supported in the reassessment of their housing application where needed, so that those vulnerable people with housing needs receive the appropriate priority on the housing register.
- 8.2 The recommendations of this report do not change the equalities implications identified within the analysis, however they do extend the timeline in which they will be achieved.

9.0 Climate change and environmental implications

- 9.1 There are no climate change and environmental implications arising from this report.

10.0 Human resources implications

- 10.1 Implementation of the revised Allocations Policy will come from existing CWC, Wolverhampton Homes and TMO officers. Some development support will be required from Northgate as set out in the Financial Implications section of the report.

11.0 Corporate landlord implications

- 11.1 This report relates to properties within the Housing Revenue Account and therefore has no Corporate Landlord implications.

12.0 Health and Wellbeing implications

12.1 Revisions to the Allocations Policy aim to give those in greatest housing need the greatest opportunity for accessing suitable housing. This can help alleviate issues such as homelessness, overcrowding and the need for an accessible home. Satisfying households housing needs should have a positive impact on their health and wellbeing.

13.0 Covid implications

13.1 There are no COVID implications arising from this report.

14.0 Schedule of background papers

14.1 [Cabinet report, 19 February 2020 – Allocations Policy Review](#)

15.0 Appendices

15.1 Appendix 1 – Housing Allocations Policy

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Housing Allocations Policy

2021



VAUXHALL
HOUSE



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Part 1

1.0 Introduction

- 1.1 This document contains details of the scheme that the City of Wolverhampton Council uses in deciding between competing applicants for housing as required by s166A Housing Act 1996.
- 1.2 This Policy records, collects and takes account of individuals' needs and requirements in order to allocate housing to those that need it most.
- 1.3 This Policy does not discriminate against any person on the grounds of race, gender, sexuality, age, class, appearance, religion, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which causes a person to be treated with injustice.
- 1.4 This policy applies to:-
- Existing tenants who want to transfer from one tenancy to another
 - New applicants
 - Nominations to Registered Providers
- 1.5 At the time of writing this policy, the Council had a housing stock around 22,000 properties.
- 1.6 The Council recognises that it alone will never meet the demand for affordable rented accommodation in the city. The Council also works to encourage applicants to explore all options for housing open to them but it aims to make the best use of the limited vacancies which become available.
- 1.7 The objectives of the policy are to:-
- 1) Ensure people in the greatest housing need have the greatest opportunity to access suitable housing that best meets their needs.
 - 2) Make use of a range of housing options and tenures to prevent and relieve homelessness.
 - 3) Make best use of the Council's and partner registered providers housing stock.
 - 4) Manage applicants' expectations by being realistic about availability of stock, to support them in making informed choices about their housing options, and the extent to which they are able to make choices
 - 5) Ensure that the Council's legal duties and corporate responsibilities are met and that the policy contributes to delivering the Council's priorities.

2.0 Equality and Diversity

- 2.1 In producing and operating this policy, we aim to ensure that Council housing is accessible to all sections of the community and provides for a diverse range of housing needs. It should be read in conjunction with the Council's Equality and Diversity Policy, the overall aims of which are to:

- a) eliminate unlawful discrimination;
- b) promote equality of opportunity; and
- c) promote good relations between people of diverse backgrounds

in its employment policies and practices, in its services, and in its engagement with partners and with the communities of the city.

3.0 Data Protection and Freedom of Information

3.1 The Council recognises that applicants for housing provide personal and sometimes sensitive information. The Council undertakes to treat this with care and respect, and in particular it will:

- a) hold, retain and dispose of all information in accordance with current legislation
- b) keep personal information secure and restrict access to it
- c) enable the applicant to have access to their own information unless it is exempt under the Freedom of Information Act 2000, and to correct any inaccuracies.

3.2 The Council's managing agents collate personal data primarily for the purpose of assessing applicants, in line with the Allocations Policy, for their eligibility for housing and the priority they will be awarded. Managing agents including Wolverhampton Homes and the Tenant Management Organisations will share this personal data with the Council for the purposes of reviewing housing decisions, monitoring housing allocations, safeguarding adults and children, preventing and detecting fraud or other criminal offenses.

3.3 Further guidance on how the council uses your personal data can be found on our privacy statement which is located on our website.

3.4 Each Managing agent will have their own Privacy Statement defining how they use the information provided. Please refer to the managing agents' website (or office) to access this. Here you will also find their data protection contact, which are determined by the individual managing agent, should you have any specific queries or concerns.

4.0 Statement on Fraud

4.1 The Council will require applicants to produce specified identification documents (including photographs) and may check the accuracy of information submitted in support of the application. This is to deter and detect fraud and ensure that housing is allocated to those who are entitled to it.

4.2 Where investigations identify that a housing fraud has been committed we will take appropriate and proportionate action which may include the following:

- a) application for possession of any property obtained, retained or used fraudulently;

- b) recovery of any monies obtained as a result of the fraud e.g. rent paid by sub-tenants to who the property is unlawfully sub-let;
 - c) recovery of any financial loss to the Council including, but not limited to, emergency accommodation costs sustained by the act of denying the Council the ability to use the property to house homeless families;
 - d) exclusion or, deferral from, or demotion on the waiting list for accommodation;
 - e) report to the Police for criminal investigations and action, or where applicable, conduct relevant investigations as potential prosecuting authority; and
 - f) offer advice and assistance to other victims of the fraud, for example a person who has unknowingly paid rent to a tenant who has unlawfully sub-let their council tenancy to them.
- 4.3 To deter those who may be considering committing a housing fraud we will publicise details of any actions we take to counter fraud, details of cases where action has been taken and encourage members of the public to report fraud through all appropriate media and communication channels.

5.0 Legal Framework and Scope

- 5.1 City of Wolverhampton Council's housing stock is managed by five managing agents which are:
- a) Wolverhampton Homes, an Arms-Length Management Company
 - b) Dovecotes Tenants Management Organisation;
 - c) Bushbury Hill Estate Management Board;
 - d) New Park Village Tenants Management Co-operative; and
 - e) Springfield Horseshoe Housing Management Co-operative.
- 5.2 All allocations will be made in accordance with this Policy and must be followed by all managing agents, although some local variations may be allowed. A local variation will only be allowed with the express consent of the Council in writing. Such local variations in policy will be set out in writing and will be made available on request and form appendices to this Allocation Policy. All Council properties are to be advertised via the Council's Homes in the City choice-based lettings scheme.
- 5.3 The way that a Local Authority allocates empty properties is largely governed by various Acts of Parliament and also the outcome of cases that have been before the Courts. Wolverhampton's Tenancy Strategy has also been considered, which commits to the use of introductory tenancies followed by secure tenancies for Council housing across the City. The City Council and its managing agents also take account of Government guidance concerning allocations which are published from time to time.

- 5.4 Allocations are dealt with in the Housing Act 1996 as amended by the Homelessness Act 2002 and the Localism Act 2011.
- a) Section 167 (1) of the Housing Act 1996 as amended requires every local housing authority to have a scheme for determining priorities, the procedure to be followed and for allocating housing accommodation.
 - b) Section 167 (2) states that the scheme has to include a statement on the authority's policy on offering people who are to be allocated housing accommodation a choice of housing accommodation and the opportunity to express preferences about the housing accommodation that is offered to them.
- 5.5 This policy must be implemented in such a way as to ensure reasonable preference is given to:
- a) people who are homeless (within the meaning of Part 7 of the Housing Act 1996) that is they have no accommodation available for their occupation;
 - b) people who have made applications for homeless assistance and have received a decision that a prescribed duty is owed to them;
 - c) people who are occupying insanitary or overcrowded housing or are otherwise living in unsatisfactory housing conditions;
 - d) people who need to move on medical or social grounds including grounds relating to a disability; and
 - e) people who need to move to a particular locality in the district of the Authority, where failure to meet that need would cause hardship (to themselves or others).
- 5.6 An authority does not have to keep a register of those applying for housing, but Wolverhampton has chosen to do so in order to be able to respond to statutory and other requirements relating to factors such as the demand for properties in the City.
- 5.7 This means that everyone applying must have applied for inclusion on the register except those who are ineligible to join or who have been formally excluded. (Section 8)

6.0 Eligibility and qualifying criteria

- 6.1 Due to an increase in demand for the limited social housing stock within Wolverhampton, the Council's housing register is only open to those applicants that are eligible for housing. Residents that aren't eligible for housing may still approach the Council for housing advice and assistance.
- 6.2 When considering an application, the Council will assess if an applicant is eligible for an allocation and qualifies as being considered in housing need.

- 6.3 Any applicant assessed as either not eligible or does not qualify as being considered in housing need will not be granted access to the housing register.
- 6.4 All applicants will be required to provide evidence to verify both their eligibility and qualification status if requested at either the point of application or at point of allocation.
- 6.5 If at any time a person's eligibility or qualification circumstances change they can be reassessed at any point.

7.0 Applicants who are not eligible or who do not qualify

The following classes of applicants will not normally be eligible for an allocation:

7.1 Subject to immigration

The Housing Act 1996, as amended by the Homelessness Act 2002, restricts certain people subject to immigration control, or with limited rights of residence or failing the habitual residence test access to the Housing Register, as well as some European nationals depending on their residency and/or employment status and on any specific exclusions, any applicant who is subject to these controls will not be eligible for an allocation. The regulations are updated by Parliament from time to time, and the Council will consider any housing application under the law as it stands when the application or allocation is made.

7.2 Incapable of holding a tenancy in law

An applicant who is incapable in law of holding a legal tenancy will not be eligible to access the housing register, for example under 18 years of age or subject to immigration control.

The following groups of people will however be able to access the register despite otherwise being incapable of holding a tenancy in law:

- A person in the care of the Council, or a care leaver;
- A person defined as a child in need as a result of a s17 Children Act 1989 statutory assessment;
- Is owed a full statutory homeless duty following a s20 Children Act 1989 statutory assessment, or;
- Has an adult or adults who will act as a trustee(s) and hold a legal tenancy until the legal incapacity to hold a tenancy ends.

The following classes of applicants will not normally qualify for an allocation:

7.3 Applicants with no recognised housing need

Applicants assessed as having no housing need, in that they do not meet any of the qualifying criteria, in any of the bands identified in Section 11 of the policy.

7.4 Applicants with no connection to Wolverhampton

Applicants without a connection to Wolverhampton will not be eligible. Local connection is established through evidencing one of the following, that:

- 1) The applicant has lived in the City for the last 2 years. This does **not** apply to the following groups of people:
 - Refugees who were previously dispersed in Wolverhampton;
 - Members of the Gypsy and Traveller community who do not have a permanent residency;
 - Applicants who are former Council care leavers from Wolverhampton who are returning to the City, up to the age of 25.
 - An applicant who is being supported as they need to move due to domestic violence, subject to multi agency panel approval or an agreed protocol between CWC and neighbouring authorities;
 - Eligible homeless applicants that are not subject to a referral to another Local Authority AND they meet the Housing Act local connection criteria.
- 2) The applicant has evidenced they are giving continuing care to a resident within the City which is evidenced by professional support e.g. hospital, social services etc. This can also be confirmed by the Council's medical advisor.
- 3) The applicant is in employment or has received an evidenced offer of employment within the City.
- 4) The applicant is a former City of Wolverhampton Council care leaver up to the age of 25 who was cared for by the Council between the ages of 16 and 18.
- 5) Any applicant with the following connection to the Armed Forces:
 - Those who are currently serving in the regular forces or who were serving in the regular forces at any time in the five years preceding their application for an allocation of social housing.
 - Bereaved spouses or civil partners of those serving in the regular forces where (i) the bereaved spouse or civil partner has recently ceased, or will cease to be entitled, to reside in Ministry of Defence accommodation following the death of their service spouse or civil partner, and (ii) the death was wholly or partly attributable to their service.
 - Existing or former members of the reserved forces who are suffering from a serious injury, illness or disability which is attributable (wholly or partly) to their service.

7.5 Applicants with income/assets above the set limit

Applicants with income, levels of assets, or savings that would normally enable them to access market housing within the City will not be eligible.

Income levels will be based upon an annual averagely priced home in the City, the annual level will be set at one-third of the average lower quartile housing price at the end of the previous calendar year.

A full calculation of the set income level can be accessed using the below link:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/low-erquartilehousepricefornationalandsubnationalgeographiesquarterlyrollingyear-hpssadataset15>

The threshold for household assets or savings will be consistent with the Government's upper limit for savings set out in the common rules of the Department for Work and Pensions (DWP) Benefit and Pensions Rates.

This can be overridden by means of a case conference for specific cases, for example those being supported to move due to domestic violence.

7.6 Exceptional Circumstances

The City of Wolverhampton Council recognises that there may be exceptional circumstances where it is necessary to reconsider the eligibility of an applicant who would not normally qualify. The Council therefore retains the right to reconsider an individual's eligibility in extreme circumstance (e.g. a significant threat to life), subject to the agreement of a delegated Housing Officer within the Council.

8.0 Exclusions

Applicants who are eligible to access the housing register may be excluded for one of the following reasons:

8.1 Unacceptable behaviour

Applicants may be excluded from the Housing Register when the Authority is satisfied that the applicant or a member of their household has been guilty of behaviour serious enough to make him or her unsuitable to be a tenant of the Authority.

For the purpose of this Allocation Policy, unacceptable behaviour includes the behaviour of the applicant, a member of their household and/or their lodgers or visitors. This could include but is not limited to the making of a possession order or the use of anti-social behaviour powers given to the Council by law. Or, where the Council believes any person covered by this section has caused harassment, alarm, distress, nuisance or inconvenience to any other person otherwise engaging in lawful behaviour in the City.

The exclusion only applies to the member(s) of the household who were participative in the unacceptable behaviour with other family members being able to make a separate application for housing.

Unacceptable behaviour also includes but is not limited to substantial rent arrears cases (not caused by factors outside the applicant's control), persistent non-payers, tenancy fraud or other tenancy breaches.

The exclusion will be for a set period of time which will be detailed in the information sent to the applicant informing them of the terms of their exclusion and may include conditions after the exclusion period which an applicant must be able to demonstrate have been fulfilled prior to the exclusion ending.

Persons subject to the criteria set out above cannot be granted a sole tenancy or participate in a joint tenancy.

Following the exclusion ending an applicant must submit a new housing application to re-join the housing register.

8.2 Refusal of Offers

Applicants who have refused 2 suitable offers of housing will be suspended from the housing register for a 6-month period, after which time their original application will be reinstated.

8.3 Welfare and safety exclusions

An applicant may be excluded from being allocated a specific property type or from being housed in a specific area of the City, if it is determined that to house them in such a property or area would be of significant risk to themselves or others. All welfare and safety exclusions must be agreed by an agreed delegated Housing Officer.

8.4 Notification of decisions and right to appeal

In the circumstance of an applicant being deemed ineligible, excluded or not considered to be in housing need they are entitled to request a review.

The Housing Act 1996 Part 6 gives applicants the right to request a review of a decision not to award preference on the grounds of:

- Unacceptable behaviour;
- The facts of their case which have, or may be, taken into account when considering whether or not to allocate a property; or
- That they are not eligible to join the Housing Register.

Applicants will be advised of all decisions in writing along with the reasons for the decision being taken. Applicants will also be advised of their right of review a decision taken if applicable.

Should an applicant wish to exercise their right for a review to be undertaken, they should usually request this review within 21 days of service of the decision. Later requests for a review may be considered if the applicant can demonstrate a genuine and reasonable reason for the delay in requesting the review.

Any request for a review can be made in writing or verbally.

8.5 Procedure on review

The following procedure will be followed in relation to reviews: -

- All communications concerning a decision made under this policy should provide information about the right to request a review.
- A review can be undertaken in writing or verbally in person and must usually be heard within 56 days of the request for a review. (In the case of access to the housing register this right to review will be conducted solely as a paper based exercise).
-
- The review will be carried out by someone not involved in the original decision and who is of appropriate seniority.
- The review will take into account the present circumstances of the applicant not just those applicable at the time of the original decision.
- The applicant will be given five clear days' notice of the date on which the appeals will be considered either orally or in writing.

9.0 16 and 17-year olds

9.1 16 and 17-year olds will not normally qualify for an allocation until reaching the age of 18.

9.2 However, if appropriate, the application for re-housing before the age of 18 can be referred to Wolverhampton Young Person's Accommodation Gateway

9.3 The criteria for this to happen are:

- must be single with no dependents and
- in need of support to live independently

Additionally, the applicant will be either:

- homeless or threatened with homelessness
- living in an unsuitable environment with a demonstrable, urgent, need to move
- resident in a hostel or foyer or other supported accommodation and ready to move on a care leaver owed a duty under the Leaving Care Act 2000

9.4 Having assessed the case, WYPAF will then make a recommendation as to appropriate accommodation and / or support. This may, or may not, involve a Council tenancy.

9.5 16 and 17-year olds with dependents will be routed through either the Council's Housing Options Service or the Young Parents Single Referral Panel.

- 9.6 Any 16 and 17 being granted a council tenancy will be required to have a trustee.

10.0 Application process

- 10.1 Applications will normally only be accepted via the Homes in the City website or by phone. It is the responsibility of the applicant to answer all questions on the housing application truthfully. Failure to answer questions truthfully could be considered fraud. The application must also set out in full all persons who will be residing with them at any property allocated under this policy. Incomplete applications will not be made live until the Council is satisfied that it has all of the information it requires to complete its assessment.
- 10.2 The Council may request supporting information from applicants in order to assess an applicant's eligibility or housing need before their application is made live. It is the responsibility of the applicant to provide the Council with any supporting information or documents as requested. Applications will not be made live until any information requested has been provided and assessed.
- 10.3 In order to assist applicants to explore housing options, receive financial guidance on sustaining a tenancy and understand the rights and responsibilities of being a tenant applicant may be asked to complete a pre-tenancy exercise before their application is made live. Applications may not be made live until applicants have completed the exercises.
- 10.4 An initial assessment will be undertaken based on the information provided on the application and any further information requested when this has been submitted. All applicants will be required to provide evidence to verify both their eligibility and qualification status at the point of application and again at point of allocation. Prior to any offer of accommodation evidence must be provided of all circumstances and residency details on the application at that time.
- 10.5 Joint applications will be accepted providing that each partner is eligible in their own right to access the housing register. Joint applications will be accepted from married or cohabiting couples including same sex couples or applicants not in a relationship who are looking to be considered for a 2 or 3 bedroom flat or maisonette.
- 10.6 Extended household members or others, which covers anyone except parents with children living with them on a full-time basis (see section 28) for those who have access to children, will not normally be included on the application in their own right unless there is parental responsibility or there are medical or social grounds which require that the household needs to live together. Applicants must be able to demonstrate such a need exists and must provide supporting information requested by the Council to assist with this purpose. These checks will also be carried out at the time of allocation to ensure that an applicant's circumstances have not changed.

- 10.7 Support can be provided to complete the application form if requested; see section 23.
- 10.8 As a result of this assessment or an applicant's inaction, applications may be:
- a) made live on to the housing register;
 - b) excluded from the housing register;
 - c) remain pending until supporting information has been provided;
 - d) have their applications closed.
- 10.9 If further information has been requested from an applicant and has not been provided with 6 months the application will not be made live and the applicant will need to make a new application if they wish to be rehoused through Homes in the City. All applicants should note that in such cases the registration date of any future application will not be backdated to the earlier application date.
- 10.10 If an applicant is rehoused through this policy the application used to house them will be permanently closed at the point they sign the new tenancy. If the tenant, then wishes to be rehoused from the new address via Homes in the City they will need to submit a new application.
- 10.11 Duplicate applications will not be accepted if an applicant currently has a live application or an application that has been closed within the last 6 months (not through exclusion or being rehoused through this policy). The new application will be treated as a request to update their old application with a change of circumstances and the older application updated.

Part 2

11.0 Prioritisation of applicants

- 11.1 Applicants' circumstances are assessed and placed in one of five bands for allocation purposes, with the Emergency + Band having the highest housing priority and band 3 having the lowest priority. Applicants with lesser preference will have their application suspended until the affected criteria has been resolved, please see paragraph 11.5 for more detail.
- 11.2 Where an applicant has two or more needs within a band they will be considered ahead of applicants with fewer needs in that band.
- 11.3 These bands are displayed in Table 1.
- 11.4 Any criterion relating to a rightsizing category refers to the different levels of overcrowding and under occupation, a full breakdown of the rightsizing categories can be seen in Table 2.

Table 1 – Housing Need Banding

Emergency +
<p>Applicants who are homeless and are owed the main duty including when they have become homeless or the Relief Duty has come to an end AND they have been assessed as being in priority need and unintentionally homeless; plus</p> <ul style="list-style-type: none"> • A substantially adapted or purpose-built property is required. This category includes those applicants covered by regulations which apply to members and former members of the Armed Forces and having particular regard for those injured or disabled in action; • Armed Forces personnel with families upon the provision of a Certificate of Cessation of Entitlement to Occupy Service Living Accommodation • For children leaving care who were under the care of CWC up to the age of 25
<p>There has been a Multi-Agency Panel review and immediate rehousing is required. Immediate rehousing need is when there is a significant threat to life.</p>
Emergency
<p>Applicants who are homeless and are owed the main duty including when they have become homeless or the Relief Duty has come to an end and they have been assessed as being in priority need and unintentionally homeless;</p>
<p>There has been a Multi-Agency Panel review and urgent rehousing is required; Urgent rehousing need is all urgent situations but there is no threat to life.</p>
<p>A substantially adapted or purpose-built property is required. This category includes those applicants covered by regulations which apply to members and former members of the Armed Forces and having particular regard for those injured or disabled in action;</p>
<p>A substantially adapted (£3000 or more in value, through floor lift substantially adapted bathroom etc) or purpose-built property is being freed;</p> <ul style="list-style-type: none"> • An appointed Occupational Therapist has decided the applicant's property is unsuitable for the applicant or a dependent member of the households needs. Or; where adaptations would cost in excess of £5,000 • cannot be carried out due to the construction of the property • deemed to be prevented from leaving hospital without suitable accommodation.
<p>A family is freeing a placement in a specialist housing scheme, or subject to a single referral forum decision, and has been assessed as ready to move on;</p>
<p>Category A rightsizing (see table 2, rightsizing categories)</p>
Band 1
<p>There is an urgent need to move on medical or social grounds (see section 14, Medical Grounds);</p>
<p>There is a young person leaving care;</p>
<p>Foster Carers and those approved to adopt who require a larger property;</p>
<p>Applicants who are homeless and are owed the Relief Duty and would be owed or likely to be owed the Main duty when the relief duty came to an end, because they are or are likely to be in priority need and unintentionally homeless;</p>
<p>The applicant is freeing a placement in a specialist housing scheme, or subject to a single referral forum decision, and has been assessed as ready to move on;</p>

A tenant of City of Wolverhampton Council or a Partner Registered Provider wishes to leave a house and move to a flat, maisonette or bungalow;
The applicant's home is subject to a Compulsory Purchase Order/Closing Order;
The applicant has an urgent need to move to a particular area in the City and where not to do so would cause hardship to themselves or to others.
Armed Forces personnel with families upon the provision of a Certificate of Cessation of Entitlement to Occupy Service Living Accommodation
Where a Council service tenants occupying tied accommodation whose contract states that accommodation must be occupied, and their employment is terminated, the service tenant retires or tied accommodation is no longer available. This will not apply to Employees leaving as a result of dismissal.
Category B rightsizing (see table 2, rightsizing categories)
Band 2
The applicant is freeing a placement in a supported housing scheme e.g. hostel / foyer etc. as they have been assessed as ready to move on;
Applicants who are threatened with homelessness and are owed the Prevention Duty and would be likely to be owed the Main duty if both the Prevention Duty and any Relief Duty that followed on were to end unsuccessfully and they would be, or would likely to be, found to be in priority need and unintentionally homeless;
A family, or pensioner is sharing or lacking a kitchen, bathroom or toilet. Does not apply to owner occupiers or tenants, excluding those living in a House in Multiple Occupation (HMO).
There is a significant need to move on medical or social grounds (see section 14, Medical Grounds)
Category C rightsizing (see table 2, rightsizing categories)
Band 3
There is a need to move on medical or social grounds, but which is less than that required for Bands 1 and 2 (see section 14, Medical Grounds);
Applicants owed a Prevention duty, or Relief duty for as long as that duty is owed but would not be or are unlikely to be owed the Main Duty when any relief duty came to an end and intentionally homeless.
Any applicant owed the Prevention, Relief or Main duty and are or are likely to be in priority need and unintentionally homeless but are refusing to cooperate on task(s) specified within their personal housing plan. A review of this can be requested.
An individual living in Supported/Specialist housing but is not yet ready to move on.
The applicant is a tenant of CWC or RP who has children under 12 years of age but does not have access to a private garden. This does not apply for a like to like property.

Table 2 - Rightsizing Matrix

Category	Criteria
Category A – Emergency Band	<ul style="list-style-type: none"> • Short of 3 or more bedrooms. • Short of 2 or more bedrooms whilst living in a 1-bedroom property

	<ul style="list-style-type: none"> Wolverhampton City Council or Registered Provider tenant releasing two or more bedrooms;
Category B – Band 1	<ul style="list-style-type: none"> Short of 2 bedrooms. Children of opposite sex sharing a bedroom over the age of 10 (where there are three or more children, those of the same sex will be expected to share a bedroom) Short of 1 bedroom whilst living in a 1-bedroom property
Category C – Band 2	<ul style="list-style-type: none"> Short of 1 bedroom. Wolverhampton City Council or Registered Provider tenant releasing one bedroom.

11.5 Lesser preference

Applicants who meet one or more of the following criteria will be given lesser preference. This means their application will be suspended until the affected criteria has been resolved or a repayment plan has been adhered to for at least 3 months and continuously thereafter prior to an offer being made.

- anyone who owes debts of more than £400 to a Council or Registered Provider or more than £600 where Universal Credit is a contributing factor.

The allocation of alternative accommodation will be dependent on:

- i. the tenant making regular payments (for a minimum of three months) to show commitment to the repayment plan;
 - ii. the tenant will be subject to a full income and expenditure exercise by/on behalf of their managing agent where a repayment plan will be agreed with the tenant; and
 - iii. the debt owed at the current property being transferred to the new tenancy and any agreement to discharge the remaining debt will become a condition of the new tenancy;
- tenants of the Council who have been in their property for less than one year;
 - tenants of the Council whose property has failed a pre-leaving inspection;
 - applicants who have been involved in unacceptable behaviour such as persistent non-payers, applicant or member of his or her household involved in anti-social behaviour but not serious enough to be excluded from the housing register.

Lesser preference does not apply to:

- a) Applicants in the Emergency Plus or Emergency bands

- b) Current Council or Registered Provider tenants who are requesting a transfer to a smaller, more affordable property due to the financial hardships making their rent unaffordable and there is no possession order;
- c) Eligible homeless applicants that are not subject to a referral to another Local Authority AND they meet the Housing Act local connection criteria.
- d) When an applicant is being supported as they need to move due to domestic violence or those who qualify for Band 1 Social Grounds.

12.0 Change of circumstances

- 12.1 Where there is a change in an applicant's circumstances, their relative degree of preference, and therefore their banding priority, will be reviewed. This may result in the applicant moving up or down within the bands. It is the responsibility of the applicant to inform the Council of the changes.
- 12.2 For applicants that do not currently live in Wolverhampton, if they have a change in circumstances that cannot be met in the area in which they live e.g. to give or receive essential support, their application will be placed in the appropriate band. This will not apply to needs that can be met where they currently live e.g. overcrowding. It will only be applied where Wolverhampton is the only place where such needs can be met.
- 12.3 It is the responsibility of the applicant to update their application should there be a change of circumstance.

13.0 Band date

- 13.1 This will be the date the applicant registered for re-housing except where there has been a change in a housing need e.g. a medical award when the date of the change will be used. The allocation will normally be made to the application with the earliest date.

14.0 Medical grounds

- 14.1 The Housing Act 1996 states that reasonable preference on the housing register should be given to applicants who have a need to move on medical or social grounds.
- 14.2 This category includes an applicant, or member of that applicant's household, whose health is being affected by their current property, and where a move to another more suitable property would alleviate their condition or make it easier to manage.
- 14.3 Where it appears that there is a need to make enquiries into an applicant's medical condition the Council will make use of an independent medical advisor or refer the case to the medical panel.

- 14.4 The applicant should provide their own medical evidence if appropriate which will be sent to the independent advisor or considered by the medical panel to assist with the assessment.
- 14.5 The applicant will be required to complete a medical referral form that may be submitted to the independent advisor. If it is decided that reasonable preference should be awarded then they will make a recommendation that the applicant is placed in the appropriate band and, where appropriate, a recommendation as to the property type.
- 14.6 The medical panel can review the decision made by the independent medical advisor.
- 14.7 Where two or more members of a household would qualify for medical priority and the levels of priority are different, the highest will apply.

Note: Where a particular circumstance, or set of circumstances, has been taken into account when awarding medical priority, that same circumstance, or set of circumstances, will not be taken into account in any request for social priority or vice versa.

15.0 Social grounds

15.1 Social grounds are factors affecting a person's situation where a move would help in resolving that particular circumstance. Social need awards will be reviewed after 3 months or on refusal of a suitable offer of accommodation.

15.2 Circumstances applicable to a Band 1 award

- A move is necessary to enable a disabled/mentally ill/elderly person and carer to be close in order to prevent immediate admission to hospital or a home where essential support is given. Will only apply where the applicant is looking to move to the same estate as carer;
- violent injury/death, suicide, rape or attempted rape in or near the home which directly affects the applicant or a member of the applicants' household;
- where a neighbourhood dispute/racial harassment/hate crime incident results in court action and the applicant needs to move away from an area;
- life threatening violence or the likelihood of it;
- children being returned from care but dependent on a change of accommodation;
- freeing a hospital bed or residential home placement where present accommodation is deemed unsuitable following professional advice;
- change of accommodation required for exceptional social/medical factors where moving would enable the delivery/monitoring of essential support services. Awarded when Housing Support has confirmation that the applicant is engaging with supporting agencies;

15.3 Circumstances applicable to a Band 2 award

- burglary: where the applicant is considered vulnerable and is the target of repeat offending;
- neighbourhood disputes/racial harassment incidents/hate crime resulting in intimidation or serious threats or damage to property which are recurrent;
- to move away from criminal activity and/or drug problems where the applicant would be vulnerable to being drawn back to previous criminality;
- Couples/Families/Single people in financial hardship actively looking to downsize from larger accommodation to smaller accommodation and circumstances currently assessed as band 2;
- Applicant is a current or former member of the armed forces, injured serviceman or woman, bereaved spouse or civil partner or existing or former member of the reserved forces who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to their service (families).

15.4 Circumstances applicable to a Band 3 award

- accident or bereavement in or near the home which is seriously affecting the applicant or a member of their family;
- neighbourhood disputes/racial harassment resulting in graffiti, gestures, letters;
- where, following the breakdown of a marriage, civil partnership or established common law relationship the former partners are still living in the same property;
- Couples/Families/Single people in financial hardship actively looking to downsize from larger accommodation to smaller accommodation and circumstances currently assessed as band 3;
- Applicant is a current or former member of the armed forces, injured serviceman or woman, bereaved spouse or civil partner or existing or former member of the reserved forces who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to their service (singles).

Note: Where a particular circumstance, or set of circumstances, has been taken into account when awarding social priority, that same circumstance, or set of circumstances, will not be taken into account in any request for medical priority or vice versa.

16.0 Lettings variations

16.1 Lower Bands

To ensure that applicants in Bands 1, 2 and Band 3 have an opportunity to receive an offer of accommodation; preference will be given to applicants from these bands as follows:

- 5% of all lettings to Band 1
- 5% of all lettings to Band 2 and 3.

Properties will be selected randomly by an automated process and will be of any property type in any area.

In the event of there being no suitable applicants from Bands 2 & 3 then the offer will be made to another case in accordance with section 19.1.

16.2 Making best use of Stock

To make best use of the housing stock and to support CWC and Registered Provider (RP) tenants to move from a house, 50% of all suitable bungalows, flats and maisonettes will be given to those tenants. If the property has adaptations applicants will be considered ahead of house release.

To address under occupancy and overcrowding houses that are released by a CWC tenant moving to a Council or RP bungalow, flat or maisonette or a lodger left in possession of a house the property will be advertised with preference to an applicant who is short of bedrooms in their present council or RP home.

16.3 Flats let to Children's Services

The Council has agreed a supply of flats and studios are made available to Children's Services to assist in the move-on and housing of young people in care and care leavers. Should the current occupant of one of the flats ask to remain in the property instead of moving on at the end of the six months licence they will be allowed to do so.

Part 3

17.0 Bidding

- 17.1 Properties that are available or about to become available for letting are normally advertised on a weekly basis from 6pm on Tuesdays until 10a.m. on the following Monday. This is known as the bidding period. Adverts can be seen on our website www.homesinthecity.org.uk; Civic Centre and other Housing Offices in Wolverhampton.
- 17.2 Applicants are invited to express an interest (known as bidding) on up to 3 properties which they are eligible for during the bidding period. This enables the Council and its Managing Agents to advise applicants of all available properties as well as being able to meet the Council's legal duties to those people who have an urgent statutory need to be housed.
- 17.3 Bids can be made via the website or in person at a Housing Office or by phone.
- 17.4 Applicants will need to have an active email address to register on Homes in the City in order for bids to be placed.

18.0 Managing the housing register

- 18.1 Applicants with a housing need will be expected to bid on a regular basis, however applicants should only bid on properties they would be willing to accept. Applicants who are not actively looking for accommodation and have not expressed an interest or bid for a property for 6 months will be deferred. This means that the applicant is unable to bid for any further homes until contact has been made with the Council.
- 18.2 The applicant's application is deferred at the time communication sent explaining the expectations of the applicant and giving contact details should the applicant require any assistance or advice and remains deferred, until contact is made, and the application is reviewed.
- 18.3 Applications may also be deferred, closed or cancelled in the following circumstances, to ensure that applicant details are kept as up-to-date as possible: -
- We are informed that they are no longer living at the registered address.
 - We have reason to believe that an applicant's needs are not recorded correctly.
 - We have reason to believe that an applicant has made a fraudulent application or provided incorrect information to increase priority.
 - The applicant accepts a home; this could be prior to or following an accompanied viewing.
 - Undeclared debts/tenancy issues are found i.e. if applicant has not indicated on application that debts are outstanding or has not kept to agreed payment arrangement.
- 18.4 Applications may only be re-activated following contact from the applicant and satisfactory investigations have taken place.
- 18.5 Applicants will be required to re-register annually on the anniversary of joining Homes in the City and to advise the Council of any changes in their circumstances or contact details. Failure to reply to the re-registration communication will result in an applicant being removed from the Housing register.
- 18.6 Under normal circumstances if an applicant fails to re-register or requests their deferment to be lifted after a 6-month period, they will be required to make a new application however, a review of this can be requested.

19.0 Selection of offers

- 19.1 In the majority of cases properties will be advertised open to all those eligible for the property type and size, except those properties selected to be let with a lettings variation as highlighted in section 16.

- 19.2 When the bidding period comes to an end a shortlist is produced of all eligible applicants. Contact will be made with the applicant who is in the highest priority band, with the greatest number of housing needs that placed them in that band, who has had that level of housing need the longest and is eligible for that property. The applicant will be contacted to request that they supply evidence of their housing circumstances, their identity and the identity of those moving with them.
- 19.3 If the applicant fails to provide this evidence within a reasonable amount of time the applicant will be by-passed, and contact will be made with the next applicant on the shortlist.
- 19.4 Prior to an offer being made the applicant will be subject to an affordability assessment by the managing agent. Where there are affordability concerns the applicant will be referred to a money management service for advice and support on how they will financially sustain a tenancy.
- 19.5 In exceptional circumstances, following a case conference, the Council and its managing agents reserve the right to withhold (subject to further clarification) or cancel an offer. Circumstances where this could occur include but are not limited to:
- where there are concerns that the allocation of the property is a risk to the applicant and members of their household or others on management grounds, such as severe antisocial behaviour or where a perpetrator of domestic violence, hate crime or other offences would be rehoused close to previous victims or health and safety grounds;
 - where there is evidence from a medical or social work professional that the property bid for would not meet the applicant's particular needs;
 - where in order to live independently the applicant will require a package of support that has not been confirmed at the point of the bid being placed; or
 - where the Council believes that information provided at the application or allocation stage is false or misleading.
- 19.6 Where such a situation arises, the applicant will be advised of the offer being withheld/cancelled and informed why this decision has been made and the process should they wish to appeal.
- 19.7 Many factors affect which applicant is top of the shortlist for each home (detailed in Section 16 - Lettings Variations). In the event of a property being advertised with multiple preferences shortlists will be produced combining all of the preferences. If no applicant matches all of the preferences the property will be allocated as highlighted in 19.1

20.0 Difficult to Let Properties

- 20.1 A property will be considered difficult to let if;

- There are no bids received when the property is advertised
 - The property is not let despite bids being made after the shortlist is exhausted due to refusals, withheld offers or withdrawn offers
- 20.2 The property will be advertised as an immediate available property and let on a first-come first-served bases. The applicant needs to be eligible for the property type and evidences provided as outlined in Section 19 Selection of Offers.

21.0 Statement of Choice

- 21.1 Applicants owed a homeless duty will have their applications regularly reviewed to ensure they are bidding on suitable properties or to identify any barriers i.e. where they require an adapted property or large property. Being owed a homeless duty relates to those accepted by The City of Wolverhampton Council as statutorily homeless and owed a duty to house under sections 193(2) or 189B of Housing Act 1996; or have been granted homeless status under section 166A(3) (a) (people who are homeless within the meaning of Part VII of the Housing Act 1996).
- 21.2 Where this is the case the Council retains the right to make direct bids on behalf of homeless applicants to help resolve their homelessness into suitable accommodation.
- 21.3 The Council will try to meet preferences around location, which will be assisted by the ability to make offers within the private rented sector and registered provider stock, however due to the availability of stock that meets a household's needs at any given time, the Council will retain the right to make an offer of accommodation where this becomes available in any area of Wolverhampton that the Council or one of its managing agents has assessed as suitable and safe for the applicant to live in.
- 21.4 The Council recognises that council accommodation is just one option to resolving a customer's housing need therefore the council may also organise for a direct offer of private rented or housing association accommodation to be made to resolve an applicant's housing need. This is undertaken in line with the City Council's Homeless Strategy.
- 21.5 The Council will have due regard to where an applicant cannot live in certain areas due to fear of violence, harassment, domestic abuse or similar circumstance.
- 21.6 Applicants (except those owed a homelessness duty, please see below) who have refused 2 suitable offers of housing will be suspended from the housing register for a 6-month period, after which time their original application will be reinstated. will be advised of this in writing and can request a review of this decision. An applicant's housing application can be reviewed following a refusal of a property.

21.7 Applicants owed a homeless duty will be made one offer of suitable accommodation. If refused this will end the statutory homelessness duty, meaning the removal of a statutory reasonable preference need award. This applies to those households accepted as statutorily homeless and owed a duty to house. Applicants will then be assessed against their remaining housing need and placed in the appropriate Band. Where the applicant has no other reason to be awarded a priority they will be placed in Band 3. Applicants will have a right to request a review of this decision.

22.0 Feedback

22.1 Applicants will be able to see the outcome of each letting including the number of people to have expressed an interest, and the band priority and the date of application of the successful applicant. This information is available on the Homes in the City website and at Housing Offices.

23.0 Support in the application and allocations process

23.1 It is recognised that some applicants may require help with completing the Homes in the City application form and bidding for properties.

23.2 Support is available to residents applying for Homes in the City, such as:

- Support to complete application form.
- Support to understand the applicants banding and the type of property they are eligible for.
- support, and reasonable adjustments will be made for applicants for housing who have hidden disability
- referral to the appropriate local agency or support worker to enable supporting documentation to be provided.
- access to accredited translation and interpretation services.
- access to a suitable environment.

23.3 Information on available properties is accessible in a number of ways to ensure that applicants with disabilities, such as sight, hearing, physical or mental health impairments etc, can make as informed choice as all applicant. Support workers are also trained in the process of bidding to ensure that they can offer positive assistance to applicants requiring assistance.

23.4 Some particularly vulnerable applicants may require additional help to ensure that they have the same opportunity to access accommodation. The Supported Application List is a further enhancement which seeks to provide a number of personalised services for applicants who need help and assistant such as:

- contact with applicants to advise of available properties;
- referral to the appropriate local agency or support worker to enable proactive support with applying, or applying on the applicant's behalf;
- access to accredited translation and interpretation services
- access to a suitable environment for applicants

- support, and reasonable adjustments will be made for applicants for housing who have hidden disability
- regular contact from staff to ensure support needs are being met.

23.5 Referrals for accessing the Supported Application List may come from a number of sources, although most would come via the following (not exclusive):

- from the application form – where a badly completed form may indicate literacy or language problems or where the applicant may indicate a particular disability such as a hearing, sight, physical or mental health impairment etc;
- request from a support worker – where a support worker specifically requests additional assistance for one of their clients; or
- from a non-bidder's report – where it is identified the applicant is not making bids for suitable accommodation.

23.6 The extent of additional assistance will be tailored to meet the needs of the individual applicant.

24.0 Direct Allocations

24.1 The Council reserves the right to directly allocate properties which have been purchased in cases of for example estate regeneration, where this has been subject to separate Cabinet approval.

Part 4

25.0 Introductory tenancies

25.1 The City of Wolverhampton Council operates introductory tenancies.

25.2 All new tenants of the Council will be introductory tenants for the first twelve months of their tenancy. This will not apply to current transferring Council tenants or to new tenants whose preceding tenancy was that they were secure tenants of another authority or an assured tenant of a Registered Providers.

25.3 A tenancy will remain introductory however if proceedings for possession have been started but not yet resolved.

25.4 The rights of introductory tenants differ from those of secure tenants.

25.5 Introductory tenants cannot:

- a) take in lodgers;
- b) exercise the right to buy (although the period spent as an introductory tenant will count towards the qualifying period);
- c) sub-let;
- d) carry out a mutual exchange; or

- e) vote on matters concerning changes in policy or practice concerning housing management.

- 25.6 However, there may be times when the Council would wish to allow something that is not given as a right e.g. allow a mutual exchange.
- 25.7 Where action is taken to end a introductory tenancy the Council does not have to prove the facts in court only that it has followed the correct procedure, particularly with regard to considering any appeal against the decision to go to court.
- 25.8 Introductory tenancies can be extended up to 18 months.

26.0 Registered provider nominations

- 26.1 Registered Providers (RPs) previously known as Registered Social Landlords (RSLs) and Housing Associations, are non-profit making organisations providing homes for people in housing need.
- 26.2 Wolverhampton City Council has nomination agreements with RPs that have properties in the city that a negotiated percentage of their lettings will be to people nominated to them from the Council's Housing Register. A copy of the nomination agreement is available upon request.
- 26.3 All properties put forward from the RPs for a nomination will be advertised in the same way as council properties so that applicants are offered the widest choice of accommodation available. The advert will distinguish that it is an RP property and display the name the relevant RP.
- 26.4 The nomination will be made within the Allocation Policy and the household make/family size up as set out by the RP.
- 26.5 Nominations will only be made where an applicant would be eligible to receive an offer of accommodation as set out in section 3.
- 26.6 Once an applicant is nominated they will not be considered for other offers until such time as the RP has advised the Council of the outcome of the nomination.

27.0 Relationship breakdown

- 27.1 Relationships for the purpose of this policy are defined as marriages, civil partnerships and established common law partnerships i.e. 12 months plus.
- 27.2 In general, it would be the intention that the partner that has responsibility for any child/ren of the relationship should remain in the home. In this event the allocation of that property will be excluded from the general allocation policy. The other partner will be able to bid on other properties subject to the banding under Section 11.
- 27.3 If the breakdown is a result of domestic abuse it may be more appropriate to rehouse the parent and child/ren away from the matrimonial home.

- 27.4 If 26.2 above applies and the former partner is left in occupation as a tenant, then action under grounds 2A Schedule One of the Housing Act 1996 as amended may be taken to end the tenancy. In these circumstances no offer of alternative accommodation will be made.
- 27.5 In all cases the applicants will be expected to sign, in the presence of a housing officer, a declaration stating the reasons for the relationship breakdown and, where there are children involved, the arrangements for their future care.
- 27.6 If one partner has left the home and there are no contact details available for them, then the remaining partner will be required to declare that fact in the declaration in 26.5 above.

28.0 Referrals for minors

- 28.1 Where Wolverhampton's Children's Services feel that rehousing is required in helping them carry out their functions to a child in need; a full report should be prepared by them in line with statutory requirements.
- 28.2 The report should detail why, without rehousing, the child is unlikely to achieve or maintain a reasonable standard of health or development.
- 28.3 The report will then be considered by the Council and, if appropriate, the case will be placed in the relevant band.

29.0 Access to children

- 29.1 Where an applicant has a joint residence order in respect of children with a former partner, the eligibilities set out Section 38 may be varied to take account of that order.
- 29.2 Other demands on the housing stock will be considered along with any potential under-occupancy of the property. Children will only be included as part of the household if the child is both dependent upon and resident with the applicant. A child shall be deemed to be resident with the applicant if it is their principal place of residence. Proof may be required to ensure that evidence provided in this respect is correct to the Council's satisfaction.

30.0 Sundry factors affecting allocations

30.1 Worsening situation

Where an applicant deliberately worsens their living conditions in order to gain benefit under this Allocations Policy no increase in their priority will be given until they have been in the new circumstances for one year.

30.2 Declaration of interest

Applicants that work for Wolverhampton Homes, Dovecotes Tenants Management organisation, Bushbury Hill EMB, New Park Village TMC and Springfield Horseshoe HMC must make this fact known in any application for

rehousing. Any offer of accommodation to a member of staff of their organisations must be referred to the Director of Housing at CWC for approval.

30.3 Major repair, fire, flood or Key Worker

- a) Occasionally allocations will be made under Schedule 1 s79 Housing Act 1985 for example to Council tenants whose own property is undergoing major works or has been the subject of a disaster such as fire, flood etc., or to an employee of the Council who is required to occupy a particular property for the better performance of their duties (Service Tenants) or is someone that has been declared by Wolverhampton City Council's Corporate Human Resources Team to be a new member of staff requiring temporary accommodation before completing a full move to the area.
- b) As these are not secure tenancies, this type of letting is not covered by this Allocations Policy.
- c) Tenants being out of their home where the works have resulted in the decant period of more than 6 months and the household meets the eligibility criteria for the property, can be offered the choice to stay or return to their original property.

31.0 Local Lettings Plans

31.1 Legal Framework

Section 166A(6)(B) of the Housing Act 1996 enables the Allocation Policy to contain provision to allocate particular housing accommodation to persons of a particular description, whether or not they fall within the reasonable preference categories through a local lettings plan (LLP).

31.2 Purpose of a Local Lettings Plan

A LLP is a key tool for Local Authorities and partners to address circumstances where there is a strong evidence base that letting properties through the main Allocations Policy will compromise community sustainability. A LLP cannot ever place any tenant into financial hardship or change or affect the following criteria as set out in the full Allocations Policy:

- Eligibility
- Exclusions
- Prioritisation of applicants

31.3 Local Lettings Plan Length and Review

LLPs will be approved for a maximum of 3 years.

The LLP must be reviewed annually by the proposing managing agent in order to reassess the continuing impact and relevance. A copy of the annual review outcomes of the LLP must be provided to CWC for consideration.

31.4 Local Lettings Plan Content

The use of LLP must be balanced against the Council's legal duty to allocate accommodation to people in housing need and must not dominate the Council's lettings policy.

The managing agent would need to demonstrate to the Council the need for such a policy giving:

- a clear definition of the objective(s) to be achieved, backed up by a clear evidence base;
- the numbers/types of properties affected;
- an Equalities Impact Assessment;
- clear methodology on how the scheme will be monitored, reviewed and reported on;
- evidence of consultation with the local community and any other affected persons or organisations such as Tenants Groups, RPs, Voluntary Sector Groups or other existing forums such as Area Panels;
- how it is proposed to market the policy so that existing and potential stakeholders are aware of it; and
- a clear exit strategy should the LLP not achieve its objectives.

31.5 Local Lettings Plan Approval Process

All requests to implement a LLP must receive Council approval by way of an Individual Executive Decision Notice after being presented at both the managing agent's and CWC's relevant leadership meetings.

Copies of any LLP are available on request and form appendices to this Policy.

32.0 Joint tenancies

32.1 Granting of Joint Tenancy

Joint tenancies will normally be granted to married couples (including Civil Partnerships) or couples living together as common law partners and where it can be shown that they have done so for 12 months or more.

Joint tenancies can be granted to applicants not in a relationship for 2- or 3-bedroom flats or maisonettes.

In each case the joint tenancy will only be granted if the other person would be eligible in their own right to receive an allocation.

If a tenant has succeeded to a tenancy a joint tenant cannot be added.

Where someone joins a tenancy, they will be asked to sign to accept the terms of the current tenancy agreement and will receive a specimen copy of that agreement.

32.2 Ending a joint tenancy

When one party gives notice on a joint tenancy this has the effect of bringing the whole tenancy to an end.

The Council will, having regard to all the circumstances of the case and if so requested, decide whether to grant a sole tenancy to the former joint tenant who remains in the property.

Factors to be considered would include responsibility for children, caring for a relative, the size of the property having regard to the household size of the applicant requesting the property, the demand for that particular property at the time etc.

The Family Court can decide that a joint tenancy is to be transferred to a sole tenancy in the name of one of partners. in which case the transfer is not subject to this Allocations Policy.

33.0 Discretionary lettings

33.1 The below lettings can be made at the sole discretion of the Council. They fall outside of the main policy above, however are an integral part of the Council's Allocation Policy.

33.2 Large-scale City Emergency

In the event of a large-scale City emergency CWC reserves the right to allocate any available properties outside of the Allocations Policy.

34.0 Death of a tenant where there is no legal right of succession

34.1 Where there is no legal successor, but someone is left in the property, consideration will be given to allow that person to be given the tenancy if:

- a) that person has lived with the previous tenant for more than 10 years
- or
- b) will be taking on the responsibility for the previous tenant's dependants,

AND

- c) the household is eligible for the property type, (for households eligible for a house under occupation by 1 bedroom is permitted)

AND

- d) the applicant would be entitled to re-housing under Homelessness Legislation and the applicant has lived in the City for at least 2 years.

34.2 Where the conditions of 34.1 are not met the person/s left in the property will be treated as possession use and occupation account.

- 34.3 Lodgers in possession will be placed in the band according to the property type they are residing in i.e. if releasing a house band 1 and the application will be registered to the date of the start of last tenancy.
- 34.4 33.2 and 33.3 above will only apply if the lodger in possession is eligible to receive an allocation under the terms of this Allocation Policy.
- 34.5 The Family Court can decide that the tenancy be given to the person/s left in the property in which case the transfer is not subject to this Allocations Policy.

35.0 Assignments

- 35.1 A tenancy can only be assigned in three ways
- a) to someone who would qualify as a successor;
 - b) by way of mutual exchange under s91 Housing Act 1985; or
 - c) following an order of the court under a number of provisions concerning family law.

36.0 Assignment to a potential successor

- 36.1 In 35.1 a) above the proposed assignee would have to satisfy the criteria in s87 Housing Act 1985.
- 36.2 Assignments to potential successors must be by deed but this necessity may be avoided if the assignment is evidenced in writing.
- 36.3 The provisions under 35.1 a) above do not apply when the tenancy has been assigned.
- 36.4 Assignments by way of exchange are allowed under s92 Housing Act 1985.

37.0 Mutual exchanges

- 37.1 A secure tenant may assign the tenancy to another secure tenant. Both tenants need the written permission of their landlord. This permission will not be unreasonably withheld except on one or more specific grounds.
- 37.2 The Council will reply to a request to assign by way of mutual exchange within 42 days of receiving the request and will inform the tenant of the outcome and, if permission is not given, the reason for refusal.
- 37.3 The Council may refuse consent on the following grounds which are set out in Schedule 3 of the Housing Act 1985. These apply to any party to the exchange.
- a) the tenant is, or will be on a specified date, obliged to give up possession following a court order; or
 - b) proceedings have begun for possession of the property under one or more of grounds in Part 1 Schedule 2 Housing Act 1985 which are:
 - i. rent has not been paid or a tenancy condition has been broken.

- ii. nuisance or annoyance has been caused or the property has been used for immoral or illegal purposes.
- iii. due to the neglect of the tenant the condition of the property and /or the furniture has been allowed to deteriorate.
- iv. the tenant obtained the tenancy by knowingly and recklessly making a false statement.
- v. the tenant or previous tenant who was a member of their family obtained the tenancy by way of mutual exchange and a premium was paid.
- vi. the outgoing tenant's property is substantially larger than the incoming tenant needs, this is regarded as two or more bedrooms unoccupied;
- vii. the outgoing tenant's property is not reasonably suitable to the needs of the incoming tenant i.e. the exchange would result in overcrowding;
- viii. the property is used mainly for purposes other than housing and was let to the tenant by Wolverhampton City Council in connection with their employment;
- ix. the property was either purpose built for, or has been adapted to make it suitable for, occupation by a physically disabled person and, if the exchange were allowed, there would be no such person living there;
or
- x. the property is one of a group of properties which are let to people with special needs and a social service or special facility is provided nearby i.e. sheltered schemes.

37.4 As stated in 37.1 above while permission will not be unreasonably withheld by the Council it may impose conditions on the consent for example, clearing rent arrears, making good damage or rectifying any other breach of the tenancy agreement not covered in 37.3b above.

37.5 Permission will not be unreasonably withheld for a Council or RP tenant who has accrued rent arrears if their proposed move is due to the financial hardships of Welfare Reform making their rent unaffordable. Tenants must:

- a. be exchanging their property for smaller, more affordable accommodation.
- b. have reduced the debt over a 3-month period and have a signed repayment plan. Council tenants must meet certain criteria:

- i. the debt owed at the current property will be transferred to the new tenancy and any agreement to discharge the remaining debt will become a condition of the new tenancy;
- ii. will be subject to a full income and expenditure exercise by/on behalf of their managing agent where a repayment plan will be agreed with the tenant

37.6 Whilst a request to exchange with a tenant of a property designated for a certain age group cannot lawfully be refused, the ingoing tenant will be made aware of the designation and the expectations of other tenants. (See Section 37)

37.7 Once the necessary permissions have been given the exchange will take place on the following Monday.

37.8 If a tenant feels that permission has been refused unreasonably or that a condition has been imposed unreasonably they can ask for a review of the decision. (See Reviews)

Part 5

38.0 Designated Properties

38.1 Particular blocks of flats are designated for older households as set out within the 'Designated Properties Local Lettings Plan', which is an addendum to the Allocations Policy. The local lettings plan contains the detail on the properties that are age designated, eligibility and the process for selection of offers on these properties.

38.2 Periodic reviews of designations may be undertaken. This can result in changes being made to the local lettings plan to ensure that age designations are fit for purpose and meet their original aim as well as allowing the Council to react to changes in supply and demand.

38.3 For further detail please refer to the 'Designated Properties Local Lettings Plan'.

39.0 Property Eligibilities

39.1 The following table provides a breakdown of what household types are eligible for the different property types:

Property Type	Household Criteria
Studio Flat, General Needs	<ul style="list-style-type: none"> • Single person • Couple
1 Bedroom Bungalow, General Needs	<ul style="list-style-type: none"> • Single person over 60 • Couple over 60 • Single person or couple assessed as requiring a bungalow due to disabilities

1 Bedroom Flat, General Needs	<ul style="list-style-type: none"> • Single person • Couple
2 Bedroom Bungalow, General Needs	<ul style="list-style-type: none"> • 2 adults over 60 that require a bedroom each • Couple over 60 • Couple over 60 moving with one adult • Single person over 60 • Single person over 60 moving with 1 adult • Single person, couple or family assessed as requiring a bungalow due to disabilities
2 Bedroom Flat, General Needs	<ul style="list-style-type: none"> • 2 adults that require a bedroom each • Couple • Couple moving with one adult • Family that requires a minimum of 2 bedrooms • Single person • Single person moving with 1 adult
2 Bedroom House, General Needs	<ul style="list-style-type: none"> • Family that requires a minimum of 2 bedrooms
2 Bedroom Maisonette, General Needs	<ul style="list-style-type: none"> • 2 adults that require a bedroom each • Couple • Couple moving with one adult • Family that requires a minimum of 2 bedrooms • Single person • Single person moving with 1 adult
2 Bedroom Parlour House, General Needs	<ul style="list-style-type: none"> • Family that requires a minimum of 2 bedrooms
3 Bedroom Bungalow, General Needs	<ul style="list-style-type: none"> • Couple over 60 moving with 2 adults • Single person over 60 moving with 2 adults • Single person, couple or family assessed as requiring a 3-bedroom bungalow due to disabilities
3 Bedroom Flat, General Needs	<ul style="list-style-type: none"> • Couple moving with 2 adults • Family that requires a minimum of 2 bedrooms • Family that requires a minimum of 3 bedrooms • Family with an adult requiring a minimum of 3 bedrooms • Single person moving with 2 adults
3 Bedroom House, General Needs	<ul style="list-style-type: none"> • Family that requires a minimum of 3 bedrooms • Family with an adult requiring a minimum of 3 bedrooms
3 Bedroom Maisonette General Needs	<ul style="list-style-type: none"> • Couple moving with 2 adults • Family that requires a minimum of 2 bedrooms • Family that requires a minimum of 3 bedrooms • Family with an adult requiring a minimum of 3 bedrooms • Single person moving with 2 adults
3 Bedroom Parlour House, General Needs	<ul style="list-style-type: none"> • Family that requires a minimum of 3 bedrooms • Family that requires a minimum of 4 bedrooms • Family with an adult/adults requiring a minimum of 3 bedrooms • Family with an adult/adult requiring a minimum of 4 bedrooms

4 Bedroom House, General Needs	<ul style="list-style-type: none"> • Family that requires a minimum of 4 bedrooms • Family with an adult/adult requiring a minimum of 4 bedrooms
4 Bedroom Parlour House, General Needs	<ul style="list-style-type: none"> • Family that requires a minimum of 4 bedrooms • Family with an adult/adult requiring a minimum of 4 bedrooms • Family that requires 5 or more bedrooms • Family with an adult/adult requiring a minimum of 5+ bedrooms
5 Bedroom House, General Needs	<ul style="list-style-type: none"> • Family that requires 5 or more bedrooms • Family with an adult/adult requiring a minimum of 5+ bedrooms
6 Bedroom House, General Needs	<ul style="list-style-type: none"> • Family that requires 5 or more bedrooms • Family with an adult/adult requiring a minimum of 5+ bedrooms

39.2 Families are defined as a single person or couple with a child under the age of 21 who lives with them on a full-time basis. Families also include applicants who are over 3 months pregnant.

39.3 Please note the following property types will give priority to specific groups of applicants:

- Age designated blocks – In line with the Age Designated LLP
- Bungalows – Applicants over 60 or those with an immediate need for a fully adapted or purpose built property or have a progressive degenerative disease and their needs are such they will require a fully adapted/purpose built property imminently.
- Ground floor flats – Those with a mobility requirement for level access housing.

39.4 In certain cases the Council and its Managing Agents will allow the largest families that are significantly overcrowded to improve their housing situation by moving to property where they may still over-occupy but to a lesser extent than before. This would be on a case by case basis with the approval of a senior Council housing officer.

Household Categories

Please note that all household categories could include other people aged 21+ living with them. These members of the household may affect the size of home that can be applied for, but will not change the category the applicant is in.

Singles - Single applicant with no children under the age of 21 living with them.

Couples - Joint applicants with no children under the age of 21 living with them

Families - Single or joint applicants with children under the age of 21 living with them. Children will be added to an application after evidence of pregnancy greater than 3 months.

Aged 60+ - Single or joint applicants one of whom is aged 60+ and who have no children under the age of 21 living with them.

Disability Households - with at least one person who has a disability who has been assessed as needing adapted property.

Property types available

Flat - Priority for ground floor flats is given to applicants requiring one level accommodation and access without climbing stairs or 1 or 2 steps. Studio flats have a combined living room and bedroom. Families will be considered for 2 bedroom flats and maisonettes ahead of couples and single people. Some flats have a garden.

Maisonette - A maisonette is a flat on two levels with its own internal staircase; some maisonettes have a private garden.

House - Houses are reserved for applicants with children under the age of 21 living with them. Parlour houses have two living rooms downstairs.

Bungalow - Bungalows are reserved for applicants who are 60 plus or with an immediate need for a fully adapted or purpose build property or have a progressive degenerative disease and their needs are such they will require a fully adapted/purpose built property imminently.

Adapted - Homes that have been adapted for use by a person with a disability. Preference will be given to applicants whose needs best match the adaptations in the property in the event that there are no suitable applicants then the offer will be made to another case in accordance with normal Allocation Policy.

Bedroom eligibility guide

The size of home that can be applied for depends on the number of bedrooms the household needs. Factors including medical need, social need, disability and bedroom release can also affect bedroom eligibility.

- Each single applicant or couple aged 16+ are eligible for 1 bedroom
- Single parents are eligible for a bedroom and are not required to share with children
- Children of the same sex can share a bedroom until the oldest child reaches the age of 21, at which point they will be considered as an adult. Children of opposite sex can share a bedroom until they are 10.
- Maximum of 2 children per bedroom

Part 6

Glossary

1) Intentionally homeless

Being 'intentionally homeless' means that your homelessness, or threatened homelessness, was caused by something that you deliberately did or failed to do.

2) Main duty

The main housing duty is a duty to provide temporary accommodation until such time as the duty is ended.

3) Multi-agency panel

Multi-agency panel consists of a group of professional people from different organisations e.g. the Council, the Police, Social Care etc. to make a joint decision.

4) Prevention duty

Where a local authority is satisfied that an applicant is threatened with homelessness and eligible, it must take reasonable steps to help the applicant secure that accommodation does not cease to be available for her/his occupation.

5) Priority need

An individual who would be more vulnerable than other applicants if they were made homeless e.g. families with children.

6) Relief Duty

Where the council is satisfied that an applicant is homeless and eligible, it must take reasonable steps to help the applicant secure that accommodation becomes available for at least six months.

7) Single referral forum

The process of directing or redirecting an individual to the appropriate specialist or agency.

8) Unintentionally homeless

Being unintentionally homeless means that your homelessness, or threatened homelessness, was not caused by something that you deliberately did or failed to do.

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