

City of Wolverhampton Council – Decisions taken by the Cabinet on Wednesday, 20 January 2021

Item 5	
Title	Housing Revenue Account Business Plan 2021-2022 Including Rents and Service Charges
Status	Recommendations Approved
Record of Decision	<p>That Council be recommended to:</p> <ol style="list-style-type: none"> 1. Adopt the Business Plan set out at Appendix 1 to the report as the approved Housing Revenue Account (HRA) Business Plan including: <ol style="list-style-type: none"> a. The revenue budget for 2021-2022 at Appendix 1 to the report. b. The Capital Programme for 2021-2022 to 2025-2026 at Appendix 2 to the report that includes the following among the proposed investment plans: <ul style="list-style-type: none"> • £134.0 million for new build development • £41.3 million provision for Estate Remodelling • £3.6 million for a new programme for low and mid-rise infrastructure replacement • £2.0 million budget provision for conversion of commercial property to residential to provide additional homes • £44.5 million to complete the refurbishment of the Heath Town estate • £86.5 million for programmes to high rise estates to include fire safety improvements, infrastructure replacement, retrofitting of sprinklers and external works. 2. Approve the implementation of an increase of 1.5% to social housing rents in accordance with the Welfare Reform and Work Act 2016 and to give 28 days notice to all secure and introductory tenants of the rent increase from 1 April 2021. 3. Approve the rates for garage rents and service charges set out in Appendix 3 to the report and formally notifies tenants. 4. Approve Management Allowances for Managing Agents as follows: <ul style="list-style-type: none"> • Wolverhampton Homes - £39,425,000 • Bushbury Hill Estate Management Board - £1,720,000

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	<ul style="list-style-type: none"> • New Park Village Tenants Management Organisation - £383,000 • Springfield Horseshoe Tenants Management Organisation - £360,000 • Dovecotes Tenants Management Organisation - £1,113,000 <p>That Cabinet notes:</p> <ol style="list-style-type: none"> 1. The consultation responses as outlined at Appendix 3 to the report. The issues raised during the consultation have been communicated to the managing agents and would also be provided to tenants as areas for possible tenant scrutiny during 2021-2022. 2. From 1 April 2020 the Regulator of Social Housing has regulated social rents charged by Local Authorities. The Rent increase at 1.5% is chargeable in line with Government policy set out in the Rent Standard 2020. 3. The issues discussed in the 2018 Social Housing Green Paper which sets out five principles for a new fairer deal for social housing residents focusing on the provision of safe and decent homes, resolving complaints, empowering tenants, tackling stigma and building new homes. 4. The National Building Safety Programme of the Ministry of Housing, Communities and Local Government and the Grenfell Inquiry pending its full outcomes, would impact upon future building safety planning. The Hackett Review 2018 makes recommendations for residential building safety and improvements to be considered as part of all future HRA asset management and improvement planning and the Building Safety Bill introduces regulation seeking greater assurance on the safety of multi-occupied buildings. 5. Asset planning in 2020-2021 would look at the future management and asset planning for non-traditional homes, including high-rise homes.
<p>Options Considered</p>	<p>The proposed rent increase of 1.5% is chargeable in line with Government policy set out in the Rent Standard 2020. Not applying an increase would reduce the resources available to fund services and the capital programme. The proposed service charges are consistent with existing policy to recover the cost of the service. An alternative option could be to reduce the charges, in</p>

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	<p>which case the cost would not be recovered, and a subsidy required from general rents.</p> <p>The Council could decide not to plan to increase capital expenditure in response to the abolishment of the HRA borrowing cap and instead use the HRA net surplus to pay off debt instead of financing borrowing. However, it would not then be using available resources to improve and increase its housing stock as well as the requirement to respond to national building safety requirements.</p>		
Reasons for Decision	<p>The Council is asked to approve the 1.5% increase to dwellings rent and approve the proposed service charges and garage rents to enable the aspirations in the business plan to be met.</p> <p>The Council is required to approve a balanced HRA budget which is based on income forecasts, maintains supervision and management expenditure, provides for depreciation and finances borrowing.</p> <p>A risk matrix is attached at Appendix 5 to the report. The risk register has been updated to reflect the economic and legislative setting in which it operates.</p>		
Record of Conflicts of Interest	Councillor/Officer	Interest	Reason
	Councillor Ian Brookfield	Non-pecuniary	Wolverhampton Homes leaseholder
	Councillor Louise Miles	Non-pecuniary	WV Living Shareholder Board member
	Councillor Jacqueline Sweetman	Non-pecuniary	WV Living Shareholder Board member
	Councillor Linda Leach	Non-pecuniary	Wolverhampton Homes leaseholder
	Mark Taylor, Deputy Chief Executive	Non-pecuniary	Director of WV Living
	Ross Cook, Director of City Environment	Non-pecuniary	Director of WV Living

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Dispensation Granted	Not applicable
Decision available for implementation (subject to call-in)	To be confirmed

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Item 6	
Title	Council Tax Base and Business Rates (NDR) Net Rate Yield 2021-2022, Provisional Local Government Finance Settlement Update and Outcome of Scrutiny Review
Status	Recommendations Approved
Record of Decision	<ol style="list-style-type: none"> 1. That the Collection Fund Council Tax Base for 2021-2022 be set at 63,580.55 Band D equivalents. 2. That the Collection Fund Business Rates, also referred to as Non-Domestic (NDR), Net Rate Yield for 2021-2022 be set at £68.9 million. 3. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve amendments to: <ol style="list-style-type: none"> a. The final Business Rates Net Yield as required as a result of changes to the NNDR 1 form (National Non-Domestic Rates return) by the Ministry of Housing, Communities and Local Government or data revisions and changes in projections; b. The Council Tax Base as a result of any data revisions and changes in projections. 4. That the responses from the Scrutiny Board in relation to the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 be received and noted. 5. That the outcome of the 2021-2022 Provisional Local Government Finance Settlement be noted. 6. That it be noted that the budget engagement process forms part of the continuous dialogue throughout the year with residents and key stakeholders on council priorities and the budget.

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	<p>7. That it be noted that the final budget report presented to Cabinet in February 2021 would reflect the outcome of the settlement and detailed budget work for 2021-2022, including a review of all budget reduction proposals and the risks associated with their delivery.</p>
Options Considered	<p>The Council Tax Base and the Net Business Rates Yield have been prepared in accordance with relevant legislation.</p> <p>The report also provides Cabinet with the outcome of the 2020-2021 Provisional Local Government Finance Settlement, to consider the impact on the City of Wolverhampton Council and medium term planning.</p>
Reasons for Decision	<p>To comply with legislative requirements, Cabinet are recommended to approve the Council Tax Base and Net Business Rates Yield for 2021-2022. This would inform the budget setting process for 2021-2022, for the Council and precepting bodies.</p> <p>Approval is also sought to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve any final changes to the final Business Rates Net Yield as required as a result of changes to the NNDR1 form and the Council Tax Base reflecting any further information received ahead of the statutory deadline of 31 January 2021.</p>
Record of Conflicts of Interest	None
Dispensation Granted	Not applicable
Decision available for implementation (subject to call-in)	21 January 2021

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Item 7	
Title	Collection Fund Estimated Outturn 2020-2021
Status	Recommendations Approved
Record of Decision	<p>1. That the payments to the precepting authorities of their share of the Council Tax deficit in equal instalments be approved.</p> <p>The estimated outturn in 2020-2021 is a cumulative deficit of approximately £7.8 million after accounting for the Hardship Fund grant to compensate for council tax reliefs but prior to funding for 75% of irrecoverable losses. Based on their proportion of the 2020-2021 council tax bill, as approved by Council in March 2020 the amounts are as follows:</p> <ul style="list-style-type: none"> • City of Wolverhampton Council £6.8 million • West Midlands Police and Crime Commissioner £660,000 • West Midlands Fire and Rescue Authority £251,000 <p>2. That the apportionment of the payments from the precepting authority of their share of the Business Rates deficit, also referred to as Non-Domestic Rates, in equal instalments be approved.</p> <p>The estimated outturn in 2020-2021 is a cumulative deficit of approximately £9.0 million after accounting for the forecast additional Covid-19 business rates reliefs funded by Section 31 grant but prior to funding for 75% of irrecoverable losses; this is as a result of a cumulative deficit totalling £818,000 brought forward from 2019-2020 and an estimated deficit in 2020-2021 totalling approximately £8.2 million. As prescribed by legislation the amounts are as follows:</p> <ul style="list-style-type: none"> • City of Wolverhampton Council £8.9 million • West Midlands Fire and Rescue Authority £90,000

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	<p>3. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31 January 2021.</p>
Options Considered	<p>The estimated outturn on the Collection Fund for 2020-2021 has been prepared in accordance with specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992.</p>
Reasons for Decision	<p>Cabinet is recommended to approve the payments to/from the precepting bodies based on the estimated outturn of the Collection Fund for 2020-2021. This will inform the budget setting process for 2021-2022, for the Council and precepting bodies.</p> <p>Approval is also sought to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31 January 2021. This will ensure that the most up to date information is used to inform 2021-2022 budgets.</p>
Record of Conflicts of Interest	<p>None</p>
Dispensation Granted	<p>Not applicable</p>
Decision available for implementation (subject to call-in)	<p>26 January 2021</p>

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Item 8	
Title	Wolverhampton Pound: Spend Local for More Jobs and Opportunities
Status	Recommendations Approved
Record of Decision	<ol style="list-style-type: none"> 1. That the approach to maximise the Wolverhampton Pound, including the vision, objectives and priority areas for action for the next 12 months to increase local spend, creating more jobs and opportunities set out in appendix 1 to the report be approved. 2. That Cabinet endorse and support the delivery of the action plan through the Wolverhampton Anchor Network to take forward the actions and recommendations of the report. 3. That the allocation of £56,000 from the Recovery Reserve, to fund the costs associated with the delivery of the 12 month action plan to progress with the priority actions identified in the report be approved. 4. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance, to accept external funding and approve supplementary budgets necessary to reflect external funding offered by The Health Foundation as part of their Economies for Healthier Lives fund as a result of a successful grant funding application. 5. That it be noted that the Wolverhampton Pound vision, principles and action plan were co-produced after extensive engagement with city partners, businesses and the voluntary and community sector.
Options Considered	<p>Option one: To do nothing. This would not be viable as the Council has already made a commitment to work collaboratively with partners to support community and economic recovery of the city.</p> <p>Option two: To use our existing Strategic Economic Plan (SEP) to support the city’s recovery. This was not considered a viable option as the unique impact of Covid 19 has meant a new approach to local economic development is required.</p>

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	Option three and the chosen option: To develop a bespoke approach to CWB, the Wolverhampton Pound which embodies our 'one city' approach to recovery and responds to the challenges and opportunities which have arisen from the Covid 19 pandemic.
Reasons for Decision	The decision to develop the Wolverhampton Pound approach is in response to the significant impact the Covid-19 pandemic has had on our communities and the local economy. The approach outlines a new cross city approach to local economic development in collaboration with key city partners which will support delivery of the Relighting Our City recovery framework.
Record of Conflicts of Interest	None
Dispensation Granted	Not applicable
Decision available for implementation (subject to call-in)	26 January 2021

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Item 9	
Title	City of Wolverhampton Education Place Planning 2020-2022
Status	Recommendations Approved
Record of Decision	<ol style="list-style-type: none"> 1. That the 'City of Wolverhampton Education Place Planning 2020-2022' strategic policy document be approved. 2. That the outcome of external consultation in relation to 'City of Wolverhampton Education Place Planning 2020-2022' strategic policy document be noted. 3. That the summary of discussions from the Extraordinary Children, Young People and Families Scrutiny Panel on 5 January 2021, regarding the 'City of Wolverhampton Education Place Planning 2020-2022' strategic policy document be noted. 4. That the impact of the demographic uplift on demand for schools in the City be noted. 5. That the need to identify and develop appropriate solutions to meet anticipated demand for primary and secondary educational provision in the future be noted. 6. That it be noted that the Regional Schools Commissioner is responsible for determining if academies can expand. The Council is not in full control of all the factors relating to the effective and timely supply of school places.
Options Considered	<p>Option 1: No strategy in place. This would mean that the Local Authority would not have a framework for school organisation and related decision making regarding primary and secondary school places across the city of Wolverhampton.</p> <p>Option 2: Approve the 'City of Wolverhampton Education Place Planning 2020-2022'. This would be adopted as the framework for school organisation and related decision making regarding primary and secondary school places and school sites across the City of Wolverhampton.</p>

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Reasons for Decision	<p>If the 'City of Wolverhampton Education Place Planning 2020-2022' is approved by Cabinet, this framework will be adopted and used to inform school organisation in Wolverhampton. The Strategy would be particularly important in exploring solutions and decisions when introducing additional capacity into the City, maintenance of temporary accommodation, priority for rebuilding of schools, new school buildings designed to be environmentally friendly and identifying opportunities for strengthening multi-agency working through co-location of services and schools and where appropriate rationalisation of the school estate.</p> <p>This strategic policy document aids the Council in meeting its statutory responsibilities regarding the provision of sufficient school places.</p> <p>Notwithstanding this, the Regional Schools Commissioner is responsible for determining if academies can expand. The Council is not in full control of all the factors relating to the effective and timely supply of school places</p>
Record of Conflicts of Interest	None
Dispensation Granted	Not applicable
Decision available for implementation (subject to call-in)	21 January 2021

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Item 10	
Title	Exclusion of press and public
Status	Recommendation Approved
Record of Decision	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).
Options Considered	Not applicable.
Reasons for Decision	Not applicable.
Record of Conflicts of Interest	Not applicable.
Dispensation Granted	Not applicable.
Decision available for implementation (subject to call-in)	Not applicable.

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Item 11	
Title	The Marches Help to Own Project
Status	Recommendations Approved
Record of Decision	<p>That Council be recommended to approve:</p> <ol style="list-style-type: none"> 1. An equity investment of up to £5.7 million alongside a West Midlands Combined Authority (“WMCA”) investment of up to £4.78 million in a pilot for a new affordable housing product called ‘Help to Own’ (“H2O”) and that the entering into of any agreements or documents arising out of equity investment be delegated to the Cabinet Members for City Assets and Housing and Resources in conjunction with the Director of Governance and the Director of Finance (Section 151 Officer). <p>The Cabinet approves that:</p> <ol style="list-style-type: none"> 1. Authority be delegated to the Cabinet Members for City Assets and Housing and Resources in conjunction with the Director of Governance and the Director of Finance to approve detailed agreements necessary to establish the H2O scheme and purchase the 100 units at The Marches. 2. A further report identifying the ongoing governance structure for the scheme be brought to Cabinet for approval. <p>The Cabinet notes that:</p> <ol style="list-style-type: none"> 1. The WMCA Board would be asked to approve their investment in the project on 15 January 2021. 2. The scheme requires creation of a new Real Estate Investment Trust (REIT) or other suitable structure to acquire the units and manage the scheme. The final structure would depend upon results of detailed accounting, taxation and legal advice which is to be jointly commissioned by the WMCA and CWC.

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	<p>3. The scheme requires additional debt funding of £12.7 million which would be sourced from a third party lender. The scheme is dependent upon the availability of this funding on the terms within the proposal.</p> <p>4. Under the initial terms discussed it is proposed that WMCA assumes the responsibility for any losses arising for CWC from the scheme up to a capped level to be agreed and subject to due diligence.</p> <p>5. The 100 units are to be purchased from WV Living, a wholly owned subsidiary company of the Council, for £20.9 million at a discount to current sales prices of £1.2 million for bulk off plan purchase.</p> <p>6. The pilot would be subject to ongoing evaluation with six monthly reports of progress to Cabinet.</p>
Options Considered	As detailed in the exempt report.
Reasons for Decision	As detailed in the exempt report.
Record of Conflicts of Interest	<p>Councillors Louise Miles and Jacqueline Sweetman declared a non-pecuniary interest as they are both WV Living Shareholder Board members.</p> <p>Mark Taylor, Deputy Chief Executive and Ross Cook, Director of City Environment declared a non-pecuniary interest due to the purchase of 100 units from WV Living as they are both Directors of WV Living.</p>
Dispensation Granted	None
Decision available for implementation (subject to call-in)	To be confirmed