

CITY OF WOLVERHAMPTON COUNCIL	<b>Cabinet</b> 17 February 2021
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**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](mailto:dereck.francis@wolverhampton.gov.uk)  
**Address** Democratic Services, Civic Centre, 1st floor, St Peter's Square,  
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 - 12)  
[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 Three Review and 2021-2022 to 2025-2026 Budget Strategy** (Pages 13 - 58)  
[To approve the Capital Programme 2020-2021 to 2024-2025 Quarter Three Review and 2021-2022 to 2025-2026 Budget Strategy]
- 6      **Treasury Management Strategy 2021-2022** (Pages 59 - 144)  
[To approve the Treasury Management Strategy 2021-2022]
- 7      **2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024** (Pages 145 - 190)  
[To present a balanced budget for 2021-2022 aligned to council plan priorities and an updated Medium Term Financial Strategy for the period up to 2023-2024, for recommendation to Full Council]

### DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 8      **Adult Social Care Annual Report: The Local Account 2019-2020** (Pages 191 - 244)  
[To receive the Adult Social Care Annual Report: The Local Account 2019-2020]
- 9      **Determined Admission Arrangements for Community and Voluntary Controlled Schools 2022-2023** (Pages 245 - 272)  
[To approve the Admission Arrangements for 2022-2023]
- 10     **Revision to Private Sector Housing Assistance Policy** (Pages 273 - 306)  
[To approve the revised Private Sector Housing Assistance Policy]

- 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 items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

## **Part 2 - exempt items, closed to press and public**

12	<b>Outcome of the Procurement Process to Appoint an External Operator for the Civic Halls</b> [To consider the outcomes of the Civic Halls operator procurement process] <b>[report to follow]</b>	Information relating to the financial or business affairs of any particular person (including the authority holding that information)	(3)
13	<b>Future High Streets Fund - Funding Award Update</b> (Pages 307 - 348) [To receive an update on the Future High Streets Fund bid]	Information relating to the financial or business affairs of any particular person (including the authority holding that information)	(3)
14	<b>Bilston Business Improvement District (BID)</b> (Pages 349 - 364) [To seek authority for the Council to cast its vote during the Bilston BID ballot and other procedural matters concerning the BID process]	Information relating to the financial or business affairs of any particular person (including the authority holding that information)	(3)

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Agenda Item No: 3

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Meeting of the Cabinet</b> <b>Minutes - 20 January 2021</b>
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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 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 and Adult Services
Ross Cook	Director of City Environment
Charlotte Johns	Director of Strategy
Richard Lawrence	Director of Regeneration
Claire Nye	Director of Finance
David Pattison	Director of Governance
Laura Phillips	Deputy Director of People and Change
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer

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

*Item No.*    *Title*

1        **Apologies for absence**  
Apologies for absence were submitted on behalf of Councillor Jasbir Jaspal.

2        **Declaration of interests**  
The following declarations of interests were made:

Agenda item 5 - Housing Revenue Account Business Plan 2020-2022 including Rents and Service Charges:

<b>Councillor/Officer</b>	<b>Interest</b>	<b>Reason</b>
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

Agenda item 11 - The Marchers Helped to Own Project:

<b>Councillor/Officer</b>	<b>Interest</b>	<b>Reason</b>
Councillor Louise Miles	Non-pecuniary	WV Living Shareholder Board member
Councillor Jacqueline Sweetman	Non-pecuniary	WV Living Shareholder Board member
Mark Taylor, Deputy Chief Executive	Non-pecuniary	Director of WV Living
Ross Cook, Director of City Environment	Non-pecuniary	Director of WV Living

3      **Minutes of the previous meeting**

Resolved:

That the minutes of the previous meeting held on 16 December 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      **Housing Revenue Account Business Plan 2021-2022 Including Rents and Service Charges**

Councillor Jacqueline Sweetman presented the report on an updated Housing Revenue Account (HRA) Business Plan 2021-2022 for recommendation to Full Council. The Business Plan aimed to balance the provision of new homes for rent, whilst continuing to invest in better and safer homes programmes to the existing stock and improving and redeveloping housing estates. The report also provided, as an integral part of that Business Plan, a proposed HRA budget for 2021-2022, including proposed rents and service charges to take effect from 1 April 2021, and a proposed HRA Capital Programme for the period 2021-2022 to 2025-2026 for recommendation to Full Council.

Resolved:

That Council be recommended to:

1. Adopt the Business Plan set out at Appendix 1 to the report as the approved Housing Revenue Account (HRA) Business Plan including:
  - 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;
    - £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;
  - Wolverhampton Homes - £39,425,000
  - Bushbury Hill Estate Management Board - £1,720,000
  - New Park Village Tenants Management Organisation - £383,000
  - Springfield Horseshoe Tenants Management Organisation - £360,000
  - Dovecotes Tenants Management Organisation - £1,113,000

That Cabinet notes:

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.

6

**Council Tax Base and Business Rates (NDR) Net Rate Yield 2021-2022, Provisional Local Government Finance Settlement Update and Outcome of Scrutiny Review**

Councillor Louise Miles presented the report on the estimates for the Wolverhampton Collection Fund 2021-2022, which the Council managed on behalf of local precepting bodies and central government. She also reported on the key points arising from the Local Government Provisional Finance Settlement 2021-2022 and the impact on the Council's Medium Term Financial Strategy and on the outcome of the budget scrutiny process and budget engagement process with residents, businesses and other key stakeholders.

Resolved:

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:
  - 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.
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.

7

### **Collection Fund Estimated Outturn 2020-2021**

Councillor Louise Miles presented the report on the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2020-2021. The proposals would inform the budget setting process for 2021- 2022 for the Council and precepting bodies. She informed Cabinet that there was continuing cause for concern over the collection of council tax for the future. It was part of the Council's financial planning for the next financial year as one of the indirect costs of the Covid-19 pandemic. She again called upon the Government to make good on their promise to continue to meet these costs. Councillor Miles also referred to the 'Talk to Us' campaign launched by the Council to engage with people, particularly those suffering the financial consequences of Covid-19 to assist them in the various ways the Council can, in paying their council tax.

Resolved:

1. That the payments to the precepting authorities of their share of the Council Tax deficit in equal instalments be approved.

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:

- City of Wolverhampton Council £6.8 million
- West Midlands Police and Crime Commissioner £660,000
- West Midlands Fire and Rescue Authority £251,000

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.

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:

- City of Wolverhampton Council £8.9 million
- West Midlands Fire and Rescue Authority £90,000

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.

8

### **Wolverhampton Pound: Spend Local for More Jobs and Opportunities**

Councillor Ian Brookfield presented the report Wolverhampton Pound: spend local for more jobs and opportunities. He reported that as part of the Council's Relighting Our City recovery framework, and the commitment to work as 'one city' alongside our civic partners to drive community and economic recovery, the Council had been working with key civic partners, City of Wolverhampton College, Royal

Wolverhampton NHS Trust, University of Wolverhampton and Wolverhampton Homes to develop the city's approach to Community Wealth Building, the Wolverhampton Pound. The approach aimed to leverage the combined power of the city's institutions, businesses and communities to build and retain local wealth in Wolverhampton, creating new jobs and opportunities.

Resolved:

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.

9

### **City of Wolverhampton Education Place Planning 2020-2022**

Councillor Dr Michael Hardacre presented the report on the outcome of an external consultation exercise on the City of Wolverhampton Education Place Planning 2020-2022 strategic policy document. The document would aid the Council in meeting its statutory responsibilities regarding the provision of sufficient primary and secondary school places across the city. Councillor Dr Hardacre asked Cabinet to approve the strategic policy document, which was a triumph of careful partnership working that had taken place to try and ensure all of the city's children and young people have the best possible chances moving forward.

Resolved:

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.

10 **Exclusion of press and public**

Resolved:

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

11 **The Marches Help to Own Project**

Having previously declared a non-pecuniary interest in this item, Mark Taylor, Deputy Chief Executive and Ross Cook, Director of City Environment both left the online meeting whilst the report was considered.

The intention to make a key decision on the report 'The Marches Help to Own Project' 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 reason:

- This is a complex venture involving a number of partners including the West Midlands Combined Authority - the agreement on the approach has only just come through hence the need for a reduced period of time for publication

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 Jacqueline Sweetman presented the report on a proposal for investment in a new affordable housing product, 'Help to Own' which provided a rental solution to local residents that gave long term tenure security, the benefits of home ownership without the risks and complete flexibility to leave whenever the tenant wishes.

Resolved:

That Council be recommended to approve:

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).

The Cabinet approves that:

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.

The Cabinet notes that:

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.
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.
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.
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.
6. The pilot would be subject to ongoing evaluation with six monthly reports of progress to Cabinet.

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 February 2021</b>
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<b>Report title</b>	Capital Programme 2020-2021 to 2024-2025 Quarter Three Review and 2021-2022 to 2025-2026 Budget Strategy		
<b>Decision designation</b>	RED		
<b>Cabinet member with lead responsibility</b>	Councillor Louise Milles Resources		
<b>Key decision</b>	Yes		
<b>In forward plan</b>	Yes		
<b>Wards affected</b>	All Wards		
<b>Accountable Director</b>	Tim Johnson, Chief Executive		
<b>Originating service</b>	Strategic Finance		
<b>Accountable employee</b>	Claire Nye	Director of Finance	
	Tel	01902 550478	
	Email	Claire.nye@wolverhampton.gov.uk	
<b>Report to be/has been considered by</b>	Strategic Executive Board	5 January 2021	
	Council	3 March 2021	

#### **Recommendations for decision:**

That Cabinet recommend that Council approve:

1. The revised City of Wolverhampton Council Capital Strategy;
2. The revised, medium term General Revenue account capital programme of £316.4 million, an increase of £1.6 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 5 to the report for;
  - i. existing projects totalling £3.8 million;
  - ii. new projects totalling £971,000.

2. Continue both delegations to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the allocation of:
  - i. The Corporate Contingency to individual projects in order that corporate priorities may be addressed in an agile and timely manner;
  - ii. The Transformation Development Efficiency Strategy to individual transformation projects in order to benefit from the capital receipts flexibility announced in the Autumn Statement 2015 and in line with the Medium Term Financial Strategy.
3. Delegate authority to the Cabinet Member for City Environment, in consultation with the Director of City Environment and Director of Finance, to approve the payments of grants related to the Black Country Blue Network Phase 2 programme where appropriate in order that projects can be progressed in a timely manner.

## **1.0 Purpose**

- 1.1 To provide Cabinet with an update on the 2020-2021 financial performance of the General Revenue Account and Housing Revenue Account (HRA) capital programmes whilst also providing a revised forecast for 2020-2021 to 2024-2025 as at quarter three 2020-2021.
- 1.2 To recommend revisions to the current approved capital programme covering the period 2020-2021 to 2025-2026.

## **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 Council, alongside managing the emergency response to the pandemic, has undertaken extensive planning for recovery which was approved by Cabinet in September 2020. 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'
- 2.3 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
- 2.4 Relighting Our City also references three cross cutting themes which cut across all of our recovery work, namely being climate focused, driven by digital and fair and inclusive in our approach.
- 2.5 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.

- 2.6 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.
- 2.7 The Capital Strategy is a key document for the Council and forms part of the authority's integrated capital, revenue, strategic asset management and balance sheet planning. Appendix 1 of the report provides a high-level overview of how capital expenditure, capital financing and treasury management activity are undertaken in line with service objectives, whilst taking account of stewardship, value for money, prudence, sustainability and affordability.
- 2.8 Furthermore, it also provides a framework by which investment decisions will be made, an overview of risk management, the implications for future financial sustainability and the governance processes for approval and monitoring of capital expenditure in line with requirements under the Prudential Code for Capital Finance in Local Authorities.
- 2.9 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 continues to assess 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.
- 2.10 On 20 November 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 £299.9 million for the period 2020-2021 to 2024-2025.
- 2.11 Since then, further reports submitted to Councillors have been approved to increase this amount by £14.9 million to £314.8 million, funded from a combination of internal and external resources. Details of which can be found in Appendix 2.
- 2.12 In addition to this, reallocation of resources from the Corporate Contingency to the following projects totalling £1.5 million have been approved through Individual Executive Decision Notices, these are summarised at Appendix 2.
  - £950,000 to Bushbury Crematorium to cover the costs of the second phase of the project;

- £293,000 to new individual projects within the Corporate Asset Management capital programme to facilitate works required in order that corporate priorities are addressed and met in an agile and timely manner;
  - £290,000 to Art Gallery Improvement Scheme Project for the completion of phase two.
- 2.13 At the end of quarter three of the 2020-2021 financial year, expenditure to date for General Fund Revenue Account existing projects totals £53.3 million compared to the projected budget of £96.4 million.
- 2.14 This report considers specific changes to budgets. A full list of the proposed capital programme can be found in Appendix 2 to the report.
- 2.15 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 £000	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	Total £000
<b>Budget</b>							
<b>Approved</b>	107,220	157,197	32,100	13,003	5,277	-	<b>314,797</b>
<b>Variations</b>							
New projects	911	645	-	-	-	-	<b>1,556</b>
Existing projects	(11,736)	15,274	164	-	(3,681)	-	<b>21</b>
	<b>(10,825)</b>	<b>15,919</b>	<b>164</b>	<b>-</b>	<b>(3,681)</b>	<b>-</b>	<b>1,577</b>
<b>Projected</b>	<b>96,395</b>	<b>173,116</b>	<b>32,264</b>	<b>13,003</b>	<b>1,596</b>	<b>-</b>	<b>316,374</b>
<b>Financing</b>							
<b>Approved</b>							
Internal resources	74,136	97,435	29,522	12,831	5,000	-	<b>218,924</b>
External resources	33,084	59,762	2,578	172	277	-	<b>95,873</b>
	<b>107,220</b>	<b>157,197</b>	<b>32,100</b>	<b>13,003</b>	<b>5,277</b>	<b>-</b>	<b>314,797</b>
<b>Variations</b>							
Internal resources	(6,561)	10,329	164	-	(3,681)	-	<b>251</b>
External resources	(4,264)	5,590	-	-	-	-	<b>1,326</b>
	<b>(10,825)</b>	<b>15,919</b>	<b>164</b>	<b>-</b>	<b>(3,681)</b>	<b>-</b>	<b>1,577</b>
<b>Projected</b>							
Internal resources	67,575	107,764	29,686	12,831	1,319	-	<b>219,175</b>
External resources	28,820	65,352	2,578	172	277	-	<b>97,199</b>
<b>Projected</b>	<b>96,395</b>	<b>173,116</b>	<b>32,264</b>	<b>13,003</b>	<b>1,596</b>	<b>-</b>	<b>316,374</b>

- 2.16 This report recommends variations to the approved capital programme totalling an increase of £1.6 million, which brings the total revised programme to £316.4 million.
- 2.17 Details of the all projects that have contributed to the overall increase of £1.6 million in the General Revenue Account capital programme can be found in Appendices 2 and 3 to the report, however, the key projects that have contributed to the increase in the programme are as follows;
- An increase totalling of £748,000 is proposed for the Active Travel capital programme within Transportation to reflect new grant allocations received from the

Department for Transport (DfT) and West Midlands Combined Authority (WMCA) towards Wednesfield Road for footway widening and shared cycle route project;

- In addition to this, there is a further increase of £550,000 relating to new projects within the Active Travel capital programme due to new grant awards from the DfT and Sustrans. Of which, £440,000 is allocated for the St Peters Ring Road/Waterloo Road Cycleway project to link the existing cycleway infrastructure with the new Molineux crossing, and £110,000 is allocated to the National Cycle Routes scheme for the improvement of destination and distance signage;
  - An increase totalling £247,000 is proposed within the City Assets and Housing capital programme. Approval is sought to increase provision for the future programmes within the Empty Properties Strategy for 2021-2022 funded by capital receipts. In line with the policy for the Empty Properties Strategy, capital receipts generated through his work are reinvested in the programme.
  - Finally, an increase of £35,000 relating to the Parks Strategy and Open Spaces capital programme reflects proposed improvements to the open spaces including planting a Tiny Forest at Oak Street and off-site improvements at Prouds Lane playing field, fully funded from the developers S106 contributions.
- 2.18 On 3 February 2021, 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 £450.5 million for the period 2020-2021 to 2025-2026. Of the approved £450.5 million HRA budget, £56.3 million relates to the 2020-2021 financial year.
- 2.19 To reflect a most up to date forecast for the HRA projects available at the time of writing this report based on the regular project delivery updates, re-profiling of the programme is being proposed resulting in £7.0 million re-phasing from 2020-2021 to 2021-2022. This change has no effect to the overall approved capital budget for HRA. Expenditure to the end of quarter three 2020-2021 for existing projects totals £26.5 million compared to the projected budget of £49.4 million.
- 2.20 Table 2 shows the HRA changes proposed for 2020-2021 to 2025-2025, along with the resources identified to finance the proposed changes.

**Table 2: Summary of the HRA projects:**

Housing Revenue Account capital programme	2020 - 2021 £000	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	Total £000
<b>Budget</b>							
<b>Approved</b>	56,343	88,330	86,260	84,280	73,330	61,930	<b>450,473</b>
<b>Variations</b>							
Existing projects	(6,957)	6,957	-	-	-	-	-
	<b>(6,957)</b>	<b>6,957</b>	-	-	-	-	-
<b>Projected</b>	<b>49,386</b>	<b>95,287</b>	<b>86,260</b>	<b>84,280</b>	<b>73,330</b>	<b>61,930</b>	<b>450,473</b>
<b>Financing</b>							
<b>Approved</b>							
Internal resources	55,724	88,330	86,260	84,280	73,330	61,930	<b>449,854</b>
External resources	619	-	-	-	-	-	<b>619</b>
	<b>56,343</b>	<b>88,330</b>	<b>86,260</b>	<b>84,280</b>	<b>73,330</b>	<b>61,930</b>	<b>450,473</b>
<b>Variations</b>							
Internal resources	(6,957)	6,957	-	-	-	-	-
External resources	-	-	-	-	-	-	-
	<b>(6,957)</b>	<b>6,957</b>	-	-	-	-	-
<b>Projected</b>							
Internal resources	48,767	95,287	86,260	84,280	73,330	61,930	<b>449,854</b>
External resources	619	-	-	-	-	-	<b>619</b>
<b>Projected</b>	<b>49,386</b>	<b>95,287</b>	<b>86,260</b>	<b>84,280</b>	<b>73,330</b>	<b>61,930</b>	<b>450,473</b>

### **3.0 Existing projects**

- 3.1 The changes proposed for existing projects within the General Revenue Account capital programme total a net increase of £21,000 as detailed in paragraph 2.17. A more detailed listing of the individual projects can be found in Appendices 2 and 3 of the report.
- 3.2 Requests for budget variations between existing projects within the General Revenue Account capital programme total £3.8 million, further details provided in Appendix 5 of the report.
- 3.3 The following paragraphs provide commentary on the key changes to budgets and an update on key projects.
- 3.4 The Civic Halls project is progressing well. Structural steel installation to Corporation street and Mitre Fold are largely complete and the steel installation for new seating balcony in the Wulfrun is completed. COVID-19 measures are in place and constantly being monitored to include material sourcing and sub-contractor resource levels. Operator procurement is concluding and a separate report is being presented to Cabinet.
- 3.5 The Train Station continues to remain fully open with the Interchange Phase 2 works focusing on the completion of the operational aspects of the station that include; further rail operational office space, shell and core retail provision in readiness for fit out and delivery of the station plaza which will deliver a high quality public realm gateway to the City. This programme will provide the connection and interface with the metro. Redevelopment of Phase 2 of the station continues and is due for completion by end of quarter one 2021-2022. The project has recently won its second award, being named Insider West Midlands Regeneration Project of the Year.

- 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 strategy is being developed to deliver the scheme.
- 3.7 In relation to the Westside project, engagement with the developer Urban & Civic is taking place to align the Council's objectives and ensure a programme of activity and a review of scheme components. The masterplan configuration and project delivery are being reviewed as part of a re-phasing exercise.
- 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 continues, 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) and are progressing detailed due diligence on proposals in order to progress commercial negotiations.
- 3.9 i9 is on target for summer 2021-2022 completion, with the development 'wind and water tight' and all external glazing installed and internal fit out of the building and utility connections well underway.
- The building is on course to achieve Wired Score gold certification and the Council is in detailed dialogue via commercial advisors for pre-lets across two thirds of the building demise with additional pre-let engagement activity on-going.
- 3.10 The HRA Business Plan 2021-2022 including rents and service charges report to Cabinet on 20 January 2021 approved a five year capital programme which included a budget for forecast expenditure to 31 March 2021. Throughout 2020-2021, Covid-19 has had an impact on the pace of delivery, from work stopping for a period to the need to establish socially distanced safe working practices. It is now necessary to rephase £7.0 million of budgets to future years due to the continuing impact of Covid-19. £6.5 million relates to new build projects due to progress or start on site being slower than anticipated and £500,000 relates to refurbishment of existing sites.
- 3.11 Approval is sought to continue both delegations to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the following;
- Corporate Contingency to individual projects in order that corporate priorities may be addressed in an agile and timely manner;
  - Transformation Development Efficiency Strategy to individual transformation projects in order to benefit from the capital receipts flexibility and in line with the Medium Term Financial Strategy.

- 3.12 Approval is also sought to delegate authority to the Cabinet Member for City Environment, in consultation with the Director of City Environment and Director of Finance, to approve the payments of grants related to the Black Country Blue Network Phase 2 programme where appropriate in order that projects can be progressed in a timely manner.

#### **4.0 New projects and virements**

- 4.1 Table 3 provides a summary of new projects requiring approval, covering the period 2020-2021 to 2025-2026, 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 4 to the report.

**Table 3: Summary of new projects requiring approval**

Directorate	Forecast outturn £000	2020-2021 to 2025-2026	
		Additional external resources required £000	Virements from existing projects £000
General Revenue Account	1,556	585	971
<b>Total</b>	<b>1,556</b>	<b>585</b>	<b>971</b>

- 4.2 The new projects requiring approval are funded from external resources (£585,000) and virements totalling £971,000. A list of the virements can be found in Appendix 5 to the report.
- 4.3 Of the overall increase of £1.6 million for the General Revenue Account capital programme, an increase of £550,000 relates to the Transportation capital programme. Approval is sought for two new projects within the Active Travel capital programme to reflect additional grant allocations.
- 4.4 An increase totalling £35,000 reflects two new projects proposed within the Parks Strategy and Open Space Capital Programme, fully funded from developers S106 contribution.
- 4.5 New projects created through virements from existing projects relates to the Education and ICT capital programmes. Approval is sought to reallocate resources totalling £471,000 to support seven new projects required for the capital maintenance works across various schools within the City. Virement totalling £500,000 is proposed for a new Digital Inclusion project within ICT to facilitate the Council's recovery work in line with the Relighting Our City agenda.
- #### **5.0 Medium term capital programme financing and budget strategy**
- 5.1 Table 4 details the approved financing for the capital programme for 2020-2021 to 2025-2026 and incorporates the requested approvals for projects included in this report.

**Table 4: Approved and forecast capital financing 2020-2021 to 2025-2026**

General Revenue Account capital programme	2020-2021 to 2025-2026			
	Approved budget £000	Recommended budget £000	Variance £000	Resource as % of expenditure
<b>Expenditure</b>	<b>314,797</b>	<b>316,374</b>	<b>1,577</b>	
<b>Financing</b>				
Internal resources				
Capital receipts	91,970	96,066	4,096	30.4%
Prudential borrowing	126,133	122,284	(3,849)	38.6%
Revenue contributions	821	825	4	0.3%
Reserves	-	-	-	0.0%
<b>Subtotal</b>	<b>218,924</b>	<b>219,175</b>	<b>251</b>	<b>69.3%</b>
External resources				
Grants & contributions	95,873	97,199	1,326	30.7%
<b>Subtotal</b>	<b>95,873</b>	<b>97,199</b>	<b>1,326</b>	<b>30.7%</b>
<b>Total</b>	<b>314,797</b>	<b>316,374</b>	<b>1,577</b>	<b>100.0%</b>

Housing Revenue Account capital programme	2020-2021 to 2025-2026			
	Approved budget £000	Recommended budget £000	Variance £000	Resource as % of expenditure
<b>Expenditure</b>	<b>450,473</b>	<b>450,473</b>	<b>-</b>	
<b>Financing</b>				
Internal resources				
Capital receipts	34,661	34,761	100	7.7%
Prudential borrowing	282,154	282,054	(100)	62.6%
Revenue contributions	18,322	18,322	-	4.1%
Reserves	114,717	114,717	-	25.5%
<b>Subtotal</b>	<b>449,854</b>	<b>449,854</b>	<b>-</b>	<b>99.9%</b>
External resources				
Grants & contributions	619	619	-	0.1%
<b>Subtotal</b>	<b>619</b>	<b>619</b>	<b>-</b>	<b>0.1%</b>
<b>Total</b>	<b>450,473</b>	<b>450,473</b>	<b>-</b>	<b>100.0%</b>

- 5.2 Capital receipts totalling £96.1 million have been assumed within the General Revenue Account capital programme over the medium term period 2020-2021 to 2025-2026 and can be seen in Table 5. This is a net increase of £4.1 million when compared to the approved budget, which has arisen due to increased loan repayments from WV Living in 2025-2026 offset in part by decreased forecast from the sale of assets and re-phasing of receipts and capital requirements.
- 5.3 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	2025 - 2026 £000	
Capital programme receipts	20,400	24,500	29,900	10,000	10,000	1,300	96,100

- 5.4 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.

## **6.0 Key budget risks**

- 6.1 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](#)

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

## **7.0 Evaluation of alternative options**

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

## **8.0 Reasons for decisions**

- 8.1 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.

## **9.0 Financial implications**

- 9.1 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 Strategy 2021-2022' also on the agenda for approval at this meeting.
- 9.2 New capital grant notifications received during quarter three 2020-2021 can be seen in the table below:

Service	Funding body	Name of grant	Amount, £
Transportation	Department for Transport (DfT) Department for Transport (DfT) West Midlands Combined Authority (WMCA) Sustrans *Black Country Local Enterprise Partnership (LEP)	Active Travel Fund - Wednesfield High Street Active Travel Fund - St Peter's ring road/ Waterloo road cycleway Better Streets Fund - Wednesfield High Street Sustrans Travel Fund Local Growth Fund - Birmingham New Road	497,801 440,000 250,000 110,000 (3,000)
<b>Grand total grant notifications</b>			<b>1,294,801</b>

\*The reduction in LEP grant relates to grant no longer required as the project is now complete.

[RJ/09022021/K]

## 10.0 Legal implications

- 10.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
- 10.2 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.
- 10.3 Each project mentioned in this report will have its own specific legal implications, raised and tailored in their respective reports.

[TS/05022021/R]

## 11.0 Equalities implications

- 11.1 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.
- 11.2 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.

## 12.0 All other Implications

- 12.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.
- 12.2 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.
- 12.3 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.
- 12.4 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. Specific references are made where appropriate throughout the report.

### **13.0 Schedule of background papers**

- 13.1 Special Urgency Decision, 20 November 2020 – 2020-2021 - [Capital Programme Quarter Two Review and Treasury Management Mid Year Review and other urgent matters](#)
- 13.2 Individual Executive Decision Notice, 9 December 2020, exempt - [Primary School Expansion Programme](#)
- 13.3 Special Urgency Decision, 17 December 2020 – [WV Living – equity investment](#)
- 13.4 Individual Executive Decision Notice, 18 December 2020, [exempt - Corporate Asset Management Fund - Approval of Projects 2020/21](#)
- 13.5 Cabinet (Resources) Panel, 20 January 2021 – [Art Gallery Improvement Scheme Works](#)
- 13.6 Individual Executive Decision Notice, 20 January 2021 – [Black Country Blue Network 2 Revenue and Capital Budget](#)
- 13.7 Individual Executive Decision Notice, 27 January 2021, exempt – [Secondary School Expansion Programme](#)
- 13.8 Special Urgency Decision, 3 February 2021 – [Housing Revenue Account Business Plan 2021-2022 including Rent and Service Charges](#)
- 13.9 Individual Executive Decision Notice, 3 February 2021 – Cremator Phase 2

### **14.0 Appendices**

- 14.1 Appendix 1: Capital Strategy
- 14.2 Appendix 2: Detailed projected budget
- 14.3 Appendix 3: Detailed forecast change
- 14.4 Appendix 4: Projects requiring approval
- 14.5 Appendix 5: Virements for approval

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**The City of Wolverhampton Council**  
**Capital Strategy**

**1.0 Introduction – what is the capital strategy?**

- 1.1 The Capital Strategy is a key document for the Council and forms part of the authority's integrated capital, revenue, strategic asset management and balance sheet planning. The following sections provide a high-level overview of how capital expenditure, capital financing and treasury management activity are undertaken in line with service objectives, whilst taking account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 Furthermore, it also provides a framework by which investment decisions will be made, an overview of risk management, the implications for future financial sustainability and the governance processes for approval and monitoring of capital expenditure in line with requirements under the Prudential Code for Capital Finance in Local Authorities.
- 1.3 The Capital Strategy has direct links to other Council strategies and plans such as the Treasury Management Strategy, Commercial Strategy, Strategic Asset Management Plan, Relighting Our City Agenda and forms a key part of the Council's Medium Term Financial Strategy (MTFS). These all underpin the delivery of the Council's Corporate Plan.

**2.0 Capital expenditure - how does capital expenditure fit in with the Council's wider objectives? What is the framework in place to ensure effective and sustainable investment?**

- 2.1 The City of Wolverhampton Council's Capital Strategy is underpinned by [\*\*Our Council Plan 2019-2024\*\*](#) and the [\*\*Vision 2030\*\*](#) with significant focus on working together to be a city of opportunity; focussed 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 City of Wolverhampton is an ambitious city with big plans and is one of the fastest growing areas in the UK for economic growth.
- 2.3 Like many other councils, the City of Wolverhampton Council has experienced significant funding reductions and we need to make careful choices in where we prioritise the money we spend. However, despite the financial challenges faced, the Council's 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 to create neighbourhoods in which people are proud to live.

- 2.4 The Council's capital investment aims to attract further inward investment to help the local economy to grow and thrive, so every pound invested by the authority generates a local economic benefit well in excess of this initial investment.
- 2.5 The **Vision 2030** details our ambition to work with commercial partners to enable major developments in the city centre and embed collaborative working with the private sector as the primary driver of inclusive growth in the city. Looking into the horizon, what might the City of Wolverhampton look and feel like in 2030? The City is already one of the fastest changing cities in the UK and is playing a leading role in supporting devolution to the West Midlands via the West Midlands Combined Authority. Our medium term capital investment plans to 2023-2024 mark a significant step change and will take us closer to the City described in our 'New Horizons' vision for the City of Wolverhampton in 2030. In 2030 Wolverhampton will be place where people come from far and wide to work, shop, study and enjoy our vibrant nightlife but this can only be realised by effective collaboration across the City and beyond. We will transform our City into a prosperous and inclusive place that celebrates its diversity and heritage and plays its part on the regional, national and international stage.
- 2.6 The Council's Capital Strategy includes all capital expenditure and capital investment decisions not only as an individual local authority but also those entered into under group arrangements or other partnership arrangements. Detailed financial planning is focussed on the medium term to reflect the availability of robust information including the timing of asset disposals, government funding and local tax generation.
- 2.7 The Council's forecast long-term capital investment plan is underpinned by the five principles of the Financial Strategy which is underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with lead directors. 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 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

- 2.8 A key element of achieving our goals is how we use all our resources, and this includes our land and buildings. To support this, the Council has an **Asset Management Policy** in place which provides an overview of the Council's land and property estate, together with the main priorities for managing and developing that estate over the next five years. The key principles and priorities of this plan are reflected in the Capital Strategy.
- 2.9 In addition to this, the Council has a **Housing strategy** which will support Wolverhampton in achieving its long term ambitions for housing; improving the quality and supply of housing, to support current and future residents who will have a fundamental role to play in developing Wolverhampton's identity and economic function as a key place on the regional, UK and international stage. The establishment of the Council's wholly owned housing company, WV Living, also enables the objectives of this strategy
- 2.10 In order to support communities and people in the City, the **Vision for School Organisation in The City of Wolverhampton 2018-2020** outlines anticipated levels of future demand and key policy decisions adopted by the Council to guide the ongoing development of the City's primary and secondary school estate. This vision is a key feature of the City of Wolverhampton Council's approach to meeting its statutory duties as an advocate for parents and families, supporting vulnerable children and championing educational excellence.

- 2.11 Furthermore, the **Vision for Public Health for the City of Wolverhampton by 2030** provides an approach and framework for improving the health and wellbeing and reducing inequalities of the city's population. Having the best start in life, an excellent education, a stable, rewarding job and a decent home in a thriving community are the strongest factors that influence both how long a person is likely to live and their quality of life. Evidence suggests that getting these factors right, coupled with enabling access to high quality health and care services, will have a significant impact on the behaviours, lifestyle choices and health of our residents. This Vision focusses on making the greatest impact on these areas that influence health and wellbeing and outlines a way of working that will help support doing so.
- 2.12 In July 2019, the Council declared a 'Climate Emergency', noting the impact of climate change around the world. The Council's Climate Change Strategy, **Future Generations: Our Climate Commitment**, outlines the Council's commitment to be carbon-neutral by 2028 and how the Council will work with a wide range of partners across the city to safeguard health, safety and well-being of our City and the future generations that will inherit it.
- 2.13 The Council has also recently launched a new strategy designed to help children and young people in Wolverhampton reach their full potential. The **Youth Engagement Strategy**, #YES, has been developed following extensive feedback from nearly 12,000 children and young people across the City, and will support eight to 18 year olds, and those up to 25 with special educational needs.
- 2.14 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 continues to assess 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.
- 2.15 Alongside managing the emergency response to the pandemic, the Council has also undertaken extensive planning for recovery which was approved by Cabinet in September 2020. 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'.
- 2.16 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

2.17 Relighting Our City also references three cross cutting themes which cut across all our recovery work, namely being climate focused, driven by digital and fair and inclusive in our approach.

### **3.0 Capital Expenditure and the Medium Term Financial Strategy**

- 3.1 Capital investment results in the enhancement or creation of a new asset. The expenditure often spans a number of years and may be funded from a variety of sources including capital receipts and borrowing. However, when developing the Capital Programme, close attention is paid to the direct impact capital expenditure can have on revenue budgets and the Council's **Medium Term Financial Strategy** and the **Housing Revenue Account Business Plan**, including the cost of borrowing in the form of interest charges and Minimum Revenue Provision. Like many other councils, the City of Wolverhampton Council has experienced significant funding reductions, so we need to make careful choices in where we prioritise the money we spend.
- 3.2 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 (the Act), for the Council to produce a balanced budget. When calculating its budget requirement for the forthcoming financial year, the Council must include the revenue costs that result from capital financing decisions. Therefore, increases in capital expenditure must be limited to a level whereby increases in interest charges, Minimum Revenue Provision and other costs associated with borrowing to finance capital expenditure, as well as any increases in running costs from new capital projects, are contained to a level which is affordable and sustainable within the projected income of the Council for the foreseeable future. The **Medium Term Financial Strategy** is updated regularly to incorporate the ongoing revenue implications arising as a result of existing and new capital investment decisions, as well as ongoing maintenance costs, to ensure that that investment decisions are affordable and sustainable.
- 3.3 As detailed in the Council's **Treasury Management Strategy**, it is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales, the Authorised Limit represents the legislative limit specified in the Act.
- 3.4 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council tax and Council housing rent levels is 'acceptable'.

## **4.0 Capital Funding Streams**

- 4.1 The capital programme can be funded from a variety of internal and external resources, as detailed below:
- Capital receipts – money received from the disposal of land and other assets, and from the repayment of grants and loans made by the Council.
  - Prudential borrowing – monies obtained by the Council from entering into a loan agreement.
  - Revenue contributions – a contribution from the revenue budget to fund capital expenditure.
  - Reserves – money set aside for a specific purpose that can be applied to fund capital expenditure.
  - Capital grants – a funding contribution, often by Central Government, towards the cost of capital projects.
  - Section 106 contributions – a financial contribution from private developers towards the costs of providing community and social infrastructure, the need for which has arisen as a result of a new development taking place.
  - External contributions – a financial contribution from an external organisation.
- 4.2 The Council aims to maximise external funding opportunities through:
- Collaboration with the Black Country Local Enterprise Partnership and the West Midlands Combined Authority;
  - The development of strategic investment pipeline so that we are ready for grant opportunities when they arise.

## **5.0 Project establishment and approval**

- 5.1 As a Council we undertake a significant number of projects and programmes each year. Business cases for capital project proposals are initially prepared by project managers in accordance with the Council's Project Management Process. The business case will include an appraisal of the project identifying the objectives of the project. In addition to this, the project manager will seek guidance and support from subject matter experts within the organisation to enable them to consider project implications such as capital and revenue expenditure over the project lifecycle, risks associated with project delivery and legal implications.
- 5.2 In order to ensure the development of robust business cases and governance procedures, an internal multi-disciplinary Officer led working group, titled Project Assurance Group (PAG), reviews and discusses the details of projects at the initiation stage. The Group provide assurance that representatives of key business areas, including Directorate representatives, legal, finance, asset management and commercial, have reviewed and discussed the details of projects, including any interdependencies that may exist, and that the project will be delivered in accordance with priorities as set out in [\*\*Our Council Plan 2019-2024\*\*](#), prior to being submitted to the next stage of the process.

- 5.3 Upon PAG endorsement, all capital projects then progress to Leadership Team or Strategic Executive Board (SEB) for review. SEB, including the Council's Director of Finance, strategically review project business cases to ensure that the project will be delivered in accordance with Our Council Plan priorities and is affordable. Capital projects will be assessed and prioritised based on:
- Our Council Plan priorities including delivering more good jobs and investment in our city and a vibrant, green city of which we can all be proud;
  - Asset Management Plan priorities;
  - City wide priorities;
  - Identified need including health and safety requirements;
  - Affordability;
  - Deliverability;
  - Income generation including business rates and council tax receipts;
  - Transformation.
- 5.4 If the project receives SEB agreement it will be included in reports presented to Cabinet and Full Council for consideration and approval, as required in the **Financial Procedure Rules** within the Council's **Constitution**. If the project is approved, project expenditure and financing will then be built into the Council's capital programme and **Medium Term Financial Strategy** (MTFS) or **Housing Revenue Account Business Plan**.
- 5.5 To manage our capital projects effectively and efficiently, we need to know how we are performing. In order to do this, individual capital project delivery milestones and financial analysis is undertaken over the lifecycle of each project, by project managers in conjunction with professional colleagues from across the organisation including Strategic Finance and is updated in the Council's project management system. Regular project delivery updates are provided to Directorate Leadership teams and will also be provided to PAG, enabling governance and challenge. In addition to this, a new Capital Projects Member Reference Group has also been established to further enhance project governance and challenge.

## **6.0 Governance**

- 6.1 The City of Wolverhampton Council's Full Council make decisions on a variety of issues, primarily linked with the budgetary and policy framework. Full Council will provide overall direction and approve the Capital Strategy, and investment in the Capital Programme.
- 6.2 Cabinet and Full Council will continue to receive quarterly capital programme and treasury management monitoring reports throughout the financial year and will approve variations to the capital programme as appropriate.
- 6.3 The Strategic Executive Board has overall responsibility for the strategic development, management and monitoring of the capital and investment programme.

- 6.4 The Director Finance will report on the sustainability and affordability of individual capital projects and the overarching capital programme, including the implications on the Medium Term Financial Strategy.
- 6.5 The Council's Our Council Scrutiny Panel oversee and scrutinise the capital programme and treasury management programmes.

## 7.0 Projected Capital Programme

- 7.1 The Capital Strategy, for the Council's General and Housing Revenue Account, sets out the plans to invest over £765 million in the City over the next six years together with the funding to support that investment.
- 7.2 The recent Budget Statement announcement of the removal of the HRA Borrowing Cap provides real opportunities for the Council to increase the provision of new homes for rent, whilst continuing to invest in better and safer homes programmes to the existing stock and improving and redeveloping housing estates.
- 7.3 The Council's projected General and Housing Revenue Account capital programmes are detailed in the table below:

**Table 1 – Projected Capital Programme 2020-2021 to 2025-2026**

General Revenue Account capital programme	2020 - 2021 £000	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	Total £000
<b>General capital programme</b>							
<b>Projected Budget</b>	<b>96,395</b>	<b>173,116</b>	<b>32,264</b>	<b>13,003</b>	<b>1,596</b>	-	<b>316,374</b>
<b>Projected Financing</b>							
Internal resources	67,575	107,764	29,686	12,831	1,319	-	219,175
External resources	28,820	65,352	2,578	172	277	-	97,199
<b>Projected Financing</b>	<b>96,395</b>	<b>173,116</b>	<b>32,264</b>	<b>13,003</b>	<b>1,596</b>	-	<b>316,374</b>
<b>Housing Revenue Account</b>							
<b>Projected Budget</b>	<b>49,386</b>	<b>95,287</b>	<b>86,260</b>	<b>84,280</b>	<b>73,330</b>	<b>61,930</b>	<b>450,473</b>
<b>Projected Financing</b>							
Internal resources	48,767	95,287	86,260	84,280	73,330	61,930	449,854
External resources	619	-	-	-	-	-	619
<b>Projected Financing</b>	<b>49,386</b>	<b>95,287</b>	<b>86,260</b>	<b>84,280</b>	<b>73,330</b>	<b>61,930</b>	<b>450,473</b>

- 7.4 Some of the major investments over the medium term included within the capital programme include:
- **Wolverhampton Interchange** - this involves the creation of a fully integrated transport hub at Wolverhampton providing an attractive and effective gateway for the Black Country with improved links to Birmingham and the proposed high speed railway (HS2). Redevelopment of Phase 2 of the station continues and is due for completion by end of quarter one 2021-2022..
  - **School Expansion Programme** – projected levels of demand for school places will be required in the future to ensure that supply can meet demand. The

projected capital programme includes provision for primary and secondary school expansion programmes totalling £24 million.

- **City Learning Quarter** - this is a key corporate priority project that will provide a new learning campus within the City Centre. The scheme is currently forecast as a £50.0 million capital project.
- **Civic Halls** – a £38 million full improvement and restoration scheme to the Civic Halls is underway. This will secure jobs and investment and enable the city to meet future demand and stimulate further economic development.

7.5 The table below details the projected financing for the capital programme over the medium term period.

**Table 2 - Projected capital financing 2020-2021 to 2025-2026**

General Revenue Account capital programme	2020-2021 to 2025-2026	
	Recommended budget £000	Resource as % of expenditure
<b>Expenditure</b>	<b>316,374</b>	
<b>Financing</b>		
Internal resources		
Capital receipts	96,066	30.4%
Prudential borrowing	122,284	38.6%
Revenue contributions	825	0.3%
Reserves	-	0.0%
<b>Subtotal</b>	<b>219,175</b>	<b>69.3%</b>
External resources		
Grants & contributions	97,199	30.7%
<b>Subtotal</b>	<b>97,199</b>	<b>30.7%</b>
<b>Total</b>	<b>316,374</b>	<b>100.0%</b>

Housing Revenue Account capital programme	2020-2021 to 2025-2026	
	Recommended budget £000	Resource as % of expenditure
<b>Expenditure</b>	<b>450,473</b>	
<b>Financing</b>		
Internal resources		
Capital receipts	34,761	7.7%
Prudential borrowing	282,054	62.6%
Revenue contributions	18,322	4.1%
Reserves	114,717	25.5%
<b>Subtotal</b>	<b>449,854</b>	<b>99.9%</b>
External resources		
Grants & contributions	619	0.1%
<b>Subtotal</b>	<b>619</b>	<b>0.1%</b>
<b>Total</b>	<b>450,473</b>	<b>100.0%</b>

7.6 Capital receipts totalling £96.1 million have been assumed within the General capital programme. In order to be prudent, a detailed review of the schedule of disposals is undertaken to identify only those that are likely to be completed. The planned utilisation of capital receipts is kept under review and reflects the need to balance the benefit for both the capital programme and the revenue budget.

## **8.0 Debt, Borrowing and Treasury Management**

8.1 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.”

8.2 The Council’s **Treasury Management Strategy** incorporates six elements:

- The Treasury Management Strategy – this document summarises in strategic terms the approach the Council will take in performing its treasury management activities.
- The Annual Investment Strategy – this document sets out in detail the conditions under which the Council will place investments.
- The Prudential and Treasury Management Indicators – this document details indicators that will be kept under review to ensure affordability or prudence.
- Minimum Revenue Provision Statement – this document details the annual revenue charge which spreads the financing of capital expenditure over the life expectancy of the asset.
- The Disclosure for Certainty Rate – this document details information required in order for the Council to access cheaper borrowing rates.
- The Treasury Management Policy – this document defines the policy and objectives of treasury management activities.

8.3 The Council continues to follow a strategy of keeping cash balances to a minimum and avoiding external borrowing unless absolutely necessary. In the short term, this has resulted in significant revenue budget reductions, whilst also serving to protect the Council from the risk of exposure to loss on the money markets, which remain relatively fragile.

8.4 The Council’s forecast external debt/prudential borrowing over the medium term is detailed in the table below:

**Table 3 – Forecast External Debt over the medium term**

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.

	2020-2021 Forecast £000	As at 17 February 2021		
		2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
General *	692,048	754,006	728,584	706,460
HRA	267,213	316,385	357,387	396,495
Total capital financing requirement	959,261	1,070,391	1,085,971	1,102,955
* 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.	20,138	23,789	15,744	14,816
<b>Movement in capital financing requirement represented by:</b>				
New borrowing for capital expenditure	65,412	145,604	60,572	60,336
Less minimum revenue provision/voluntary minimum revenue provision	(32,323)	(34,474)	(44,992)	(43,352)
Movement in capital financing requirement	33,089	111,130	15,580	16,984

- 8.5 The Council has a statutory duty under Section 3 of the Local Government Finance Act 1992 (the Act) and supporting regulations, to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in the Act.
- 8.6 When setting the Authorised Limit, the Council must have regard to the Prudential Code, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council tax and Council housing rent levels is 'acceptable'. The Authorised Limit for the current financial year and three successive financial years and can be seen in the following table:

**Table 4 – Authorised Limit for External Debt**

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.

	2020-2021 Limit £000	As at 17 February 2021		
		2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000
Borrowing	1,049,311	1,086,578	1,121,741	1,182,515
Other Long Term Liabilities	87,249	79,626	81,928	78,960
Total Authorised Limit	1,136,560	1,166,204	1,203,669	1,261,475
Forecast External Debt as at 17 February 2021	863,551	1,004,740	1,044,320	1,061,304
Variance (Under) / Over Authorised limit	(273,009)	(161,464)	(159,349)	(200,171)
<b>Authorised limit for commercial activities / non-financial investments included in the above figures</b>				
Total Authorised Limit	45,893	47,014	45,874	45,874
Forecast External Debt as at 17 February 2021	41,317	45,874	45,874	45,874
Variance (Under) / Over Authorised limit	(4,576)	(1,140)	-	-

- 8.7 As can be seen from the table above, the forecast level of external debt is within the Authorised Limit for each year.

8.8 The Council has adopted a prudent approach to managing risk. In order to minimise the risk, the Council applies a minimum acceptable credit criteria as detailed in the Annual Investment Strategy.

## **9.0 Commercial Activity**

- 9.1 The Council continues to ensure that opportunities for commercialism and shared services are constantly considered. Investments in order to support income generation is becoming an increasingly important aspect of the Council's financial strategy. As detailed in the **Treasury Management Strategy**, non-treasury/commercial investments should be of benefit to the economic, social or environmental well-being of the area served by the City of Wolverhampton Council and/or the West Midlands Combined Authority.
- 9.2 The codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contains investment guidance which complements the guidance issued by the Ministry of Housing, Communities and Local Government. The most recent version of this guidance, effective from 1 April 2018, requires local authorities to produce disclosures on financial and non-financial investments held.
- 9.3 Investments held for treasury management purposes are disclosed in the **Treasury Management Strategy**, whilst investments held for non-treasury management purposes are detailed in the following paragraphs.
- 9.4 Investments held for non-treasury management purposes include investments such as loans, shares and other non-financial investments including property investment assets. When considering commercial investment, consideration is given to the level of exposure to different sectors in the market and the needs of the City.
- 9.5 Whilst Wolverhampton holds a number of investments that are classed under the guidance as commercial investments, those held partially or primarily to generate a profit, the Council's investments are held primarily in order to secure wider strategic objectives as detailed in **Our Council Plan**. This includes inclusive growth and creating neighbourhoods in which people are proud to live. Revenue income streams arising as a result of holding these investments is a secondary benefit which supports the Council's financial strategy.
- 9.6 Long-term investments held by the Council for non-treasury management purposes have been funded from borrowing and include:
- Equity investment and loans to WV Living – the Council's wholly owned housing company established in 2016;
  - YOO Recruit Ltd – the Council's wholly owned recruitment agency established in 2014;
  - Investment properties such as i10 and i11.
- 9.7 WV Living – The Council established a Housing Company to develop affordable and desirable new homes within Wolverhampton for rent and sale after identifying a need in

the City for housing. This was a targeted and careful intervention by the Council to unlock sites and ensure that the City is a place where people want to work and live. The strategic response to address the housing need generates a commercial return for the Council that will contribute to the MTFS, however as stated above, whilst beneficial in supporting the financial strategy this is the secondary objective. WV Living has a Board of Directors, who include Council Directors, who keep the Business Plan under constant review to ensure security of funds.

- 9.8 Yoo Recruit – The Council established a recruitment agency to help get local people into temporary council jobs. The Council is the sole shareholder of the company and benefits from any profits that the company makes, however the primary reason for establishing this company was to ensure that the City is a place where people want to work and live.
- 9.9 Investment properties - The Council owns and has invested in a number of investment/commercial properties such as the i10 office and retail facility, which was successfully opened in early 2016 attracting big name tenants such as Greene King and Tarmac. Construction work on the £13 million i9 office building commenced in December 2019 and it is expected to create approximately 300 jobs. Investment in these assets encourages regeneration and inward investment into the City's local economy.
- 9.10 An advanced programme of commercial lease renewals and rent reviews on investment properties is underway to maximise the income to the Council from the commercial portfolio. In addition to maximising annual rental income, this also ensures that income is secured, by locking tenants into current leases at market level rent rates.
- 9.11 All investment properties are considered as part of the Council's Asset Management Policy. The reasons for holding assets will vary and, as a result, we may need to measure their performance in different ways. Performance of each asset must therefore be linked to the strategic purpose for holding it. The Asset Challenge process means that we are reviewing each asset on a rolling programme to ensure we only keep the buildings we need in the future. This process explores the utilisation of assets, along with analysis of running and maintenance costs, and geographical location. The outcome of this process will identify asset rationalisation and disposal opportunities to support our Medium Term Financial Strategy.
- 9.12 All new commercial ideas/investment will follow the project establishment and approval process as detailed above. If the commercial investment proposal is successful, performance will be monitored on an ongoing basis following investment approval, against the agreed business plan by the relevant boards. The investment/project plan will have clearly identified performance targets which will be the baseline for decisions as to whether the investment is successful and whether it should be ceased, continued or expanded. Any significant under performance will be escalated to the relevant Director.
- 9.13 In addition to this, the Director of Finance will receive quarterly updates on each investment asset which will highlight project progress and levels of commercial income received. In the event that further clarity is required, the Director of Finance will request that an update on the business case be presented to Project Assurance Group. Any deviation from the original business case which requires any additional resources will be

assessed following the ‘Project establishment and approval’ process as detailed in Section 5 above.

- 9.14 All of the Council’s property, plant and equipment assets are valued at current value, and those assets with a current net book value in excess of £1.0 million are valued annually; the most recent valuation was undertaken on 31 March 2020. A rolling programme ensures that the remaining assets are revalued at least every five years. The valuations were carried out by external valuers. The housing stock valuation was carried out by the Valuation Office Agency while the other valuations were carried out by Bruton Knowles, registered RICS valuers. This ensures security of capital investment.
- 9.15 In the event that the fair value of the investment is no longer sufficient to provide security against the loss the Strategic Executive Board will need to consider whether the investment is enabling wider strategic objectives.
- 9.16 The following table details the projected level of net commercial investment over the medium term period:

**Table 5 – Forecast Commercial Investment**

	As at 17 February 2021			
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
Commercial activities / non-financial investments	17,710	23,057	10,000	10,000

- 9.17 The Guidance encourages local authorities to develop qualitative indicators that allow the reader to assess the Council’s total risk exposure as a result of commercial investment decisions, as detailed below:

**Indicator 1 – Forecast Net Debt for Commercial Investment to Net Service Expenditure Ratio**

	2020-2021 £000	2021-2022 £000	2022-2023 £000	2023-2024 £000
Net Debt for Commercial Investment	39,738	43,389	35,344	34,416
Net Service Expenditure	248,223	258,497	247,274	251,839
<b>Debt to NSE Ratio</b>	<b>16.0%</b>	<b>16.8%</b>	<b>14.3%</b>	<b>13.7%</b>

The indicator above measures the forecast level of net debt for commercial investments in comparison to the Council’s forecast net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority. The forecast level of cumulative net debt for commercial investments is projected to be less than 20% of the Council’s forecast net revenue budget in each year.

**Indicator 2 – Forecast Commercial Income to Net Service Expenditure Ratio**

	2020-2021 £000	2021-2022 £000	2022-2023 £000	2023-2024 £000
Forecast Commercial Income	2,846	2,004	2,286	2,085
Net Service Expenditure	248,223	258,497	247,274	251,839
<b>Commercial Income to NSE Ratio</b>	<b>1.1%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.8%</b>

The indicator above measures the forecast level of commercial income in comparison to the Council's forecast net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority. The forecast level of commercial income when compared to the Council's forecast net service expenditure is marginal, and therefore indicates that the Council's financial resilience is not heavily reliant on commercial income.

**Indicator 3 – Forecast Loan to Value Ratio**

	2020-2021	2021-2022	2022-2023	2023-2024
<b>Loan to Value Ratio</b>	0.92	0.91	0.87	0.85

The indicator above measures the forecast net debt for commercial investments compared to the forecast total asset value. The decrease in the forecast loan to value ratio over the medium term indicates the reducing level of borrowing due to repayments.

**10.0 Other long term liabilities**

- 10.1 Liabilities and investments including PFI contracts and soft loans are assessed as part of each year's balance sheet review to ensure that information is up-to date.

**11.0 Knowledge and skills**

- 11.1 The Council recognises the importance of ensuring that all staff involved in the development and delivery of capital projects, including programme/service managers, accountants, solicitors and surveyors, are fully equipped to undertake the duties and responsibilities allocated to them. The Council seeks to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.
- 11.2 In addition to this, the Council ensures that Councillors tasked with capital investment and treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with

governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

- 11.3 The Council also procures external professional advice where necessary to support the due diligence of capital projects including treasury management advice, financial advice and risk and assurance advice.

## **12.0 Corporate Strategies**

- 12.1 Our Council Plan
- 12.2 Vision 2030
- 12.3 Strategic Asset Management Plan
- 12.4 Medium Term Financial Strategy
- 12.5 Housing Revenue Account Business Plan
- 12.6 Treasury Management Strategy
- 12.7 Financial Procedure Rules
- 12.8 Council Constitution
- 12.9 Housing Strategy
- 12.10 Vision for School Organisation in The City of Wolverhampton 2018-2020
- 12.11 Vision for Public Health for the City of Wolverhampton by 2030
- 12.12 Future Generations: Our Climate Commitment
- 12.13 Youth Engagement Strategy
- 12.14 Relighting Our City Agenda

## Detailed projected budget

## Appendix 2

Division	Project	Projected budget							Internal resources £000	External resources £000
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total		
		£000	£000	£000	£000	£000	£000	£000		
<b>General Revenue Account capital programme</b>										
City Assets and Housing	Disabled Facilities Grants	-	2,215	-	-	-	-	2,215	-	(2,215)
	Mandatory Disabled Facilities Grants	215	1,060	-	-	-	-	1,275	-	(1,275)
	Small Adaptations Grants	350	500	-	-	-	-	850	-	(850)
	Stair Lift Maintenance	20	-	-	-	-	-	20	-	(20)
	Care & Repair Fees re: DFG's	50	-	-	-	-	-	50	-	(50)
	Social Care Minor Adaptations	150	-	-	-	-	-	150	-	(150)
	Discretionary Bathrooms Adaptations Grant	200	250	-	-	-	-	450	-	(450)
	Rehabilitation Equipment 2020-2021	200	-	-	-	-	-	200	-	(200)
	Housing General Fund General Schemes - Small Works Assistance (SWA)	-	215	-	-	-	-	215	(215)	-
	Small Works Assistance	100	160	-	-	-	-	260	(260)	-
	Capitalised Salaries	101	-	-	-	-	-	101	(101)	-
	Housing General Fund General Schemes - Empty Properties Strategy	-	268	-	-	-	-	268	(268)	-
	99 Milfields Road Bilston	62	-	-	-	-	-	62	(62)	-
	Two and a half Clifford Street	-	80	-	-	-	-	80	(80)	-
	30 Victoria Road	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	23	-	-	-	-	-	23	(23)	-
	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)	-
	i10 - FRA priority works	10	-	-	-	-	-	10	(10)	-
	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	14	-	-	-	-	-	14	(14)	-
	Maltings - FRA priority works	5	-	-	-	-	-	5	(5)	-
	Makers Dozen – roofing works	31	-	-	-	-	-	31	(31)	-
	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)	-
	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	4	-	-	-	-	-	4	(4)	-
	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)	-
	Northycote Farm - handwash and legionella control works	17	-	-	-	-	-	17	(17)	-
	Wolverhampton Contacts Centre – new emergency lights	48	-	-	-	-	-	48	(48)	-
	Mortuary at Alfred Squire Road - roof replacement	70	-	-	-	-	-	70	(70)	-
	Bushbury Crematorium - refurbishment of welfare facilities	4	-	-	-	-	-	4	(4)	-
	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 2

Division	Project	Projected budget							Internal resources £000	External resources £000
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total		
		£000	£000	£000	£000	£000	£000	£000		
<b>General Revenue Account capital programme</b>										
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	12	-	-	-	-	-	-	12	(12)
	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	32	-	-	-	-	-	-	32	(32)
	Newhampton Centre For Arts - FRA / mechanical and engineering / building fabric / electrical / Legionella	50	-	-	-	-	-	-	50	(50)
	Old Heath Housing Office – internal lighting works	18	-	-	-	-	-	-	18	(18)
	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	11	-	-	-	-	-	-	11	(11)
	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	14	-	-	-	-	-	-	14	(14)
	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)
	Bantock House – installation of new stair lift	5	-	-	-	-	-	-	5	(5)
	Bantock House – replacement control panel and BMS	16	-	-	-	-	-	-	16	(16)
	Bradley Resource Centre – internal refurbishment to bedrooms, bathroom and reception and new flooring	70	-	-	-	-	-	-	70	(70)
	Central Baths - replacement of air handling plant controller	7	-	-	-	-	-	-	7	(7)
	Eastfield Community Centre - FRA works	4	-	-	-	-	-	-	4	(4)
	Eastfield Community Centre – boiler replacement	7	-	-	-	-	-	-	7	(7)
	Ernest Bold Resource Centre - external lighting and new CCTV (option 1)	20	-	-	-	-	-	-	20	(20)
	Graiseley Music School - toilet and office refurbishment	15	-	-	-	-	-	-	15	(15)
	Landport Road Industrial Estate (Unit 3) – roof works and clearance of fire hazard materials	6	-	-	-	-	-	-	6	(6)
	Makers Dozen – FRA works	12	-	-	-	-	-	-	12	(12)
	Newhampton Arts Centre - external renovation works to building	33	-	-	-	-	-	-	33	(33)
	West Park – replace boilers within conservatory	80	-	-	-	-	-	-	80	(80)
	Windsor Avenue Playing Fields - replacement of storm drainage	20	-	-	-	-	-	-	20	(20)
	Energy Efficiency Measures	-	569	-	-	-	-	-	569	(569)
	Housing General Schemes - Affordable Warmth	-	-	-	-	-	-	-	-	-
	Affordable Warmth	216	108	-	-	-	-	-	324	(224)
	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	-	11,334	5,203	2,800	-	-	-	19,337	(19,337)
	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	-	-	-	-	-	-	-	-	-
	WV Living - Loans	12,000	10,000	10,000	10,000	1,300	-	-	43,300	(43,300)
	WV Living - purchase of ordinary shares	7,000	-	-	-	-	-	-	7,000	(7,000)
	Other Equity Investments and Loans to Companies	-	-	-	-	-	-	-	-	-
	Equity Investment - Help To Own - The Marches - recommended for approval by Cabinet - subject to Special Urgency Decision	5,700	-	-	-	-	-	-	5,700	(5,700)

## Detailed projected budget

## Appendix 2

Division	Project	Projected budget							Internal resources £000	External resources £000
		2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Total £000		
<b>General Revenue Account capital programme</b>										
Land and Property Investment Fund	Land and Property Investment Fund Dudley Brownfield	-	-	-	-	-	-	125	-	(125)
Regeneration	i54 Access and Infrastructure	-	-	-	-	296	-	296	(19)	(277)
	i54 Access and Infrastructure - i54 - Contingency / General Costs - WCC	42	36	48	43	-	-	169	(157)	(12)
	Targeted Disposals Programme	-	-	-	-	-	-	-	-	-
	Disposal of Heath Town Baths	3	-	-	-	-	-	3	(3)	-
	Targeted Disposals - Hoardings	20	16	-	-	-	-	36	(36)	-
	Burndett House Demolition	-	315	-	-	-	-	315	(315)	-
	i9 Office Development	-	13,000	-	-	-	-	13,000	(13,000)	-
	Wolverhampton Interchange Block 11 - Acquisition	-	57	-	-	-	-	57	(57)	-
	Bilston Urban Village	1,688	1,070	-	-	-	-	2,758	(2,733)	(25)
	Black Country Growth Deal – Cultural Programme	-	-	-	-	-	-	-	-	-
	Civic Halls Improvements	7,500	23,158	-	-	-	-	30,658	(30,658)	-
	Interchange - Ph2 Train Station/MSCP/Metro Extension	4,505	4,829	-	-	-	-	9,334	(8,412)	(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 -	5	-	-	-	-	-	5	(2)	(3)
	i54 Western Extension	8,806	9,836	6,000	-	-	-	24,642	(16,285)	(8,357)
	City Learning Quarter	2,130	31,207	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	50	1,162	-	-	-	-	1,212	(888)	(324)
	Art Gallery Improvement Scheme - ACE Kickstart	15	145	-	-	-	-	160	-	(160)
	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	600	696	-	-	-	-	1,296	-	(1,296)
	Future High Street Fund	-	5,600	-	-	-	-	5,600	(5,600)	-
Strategy	ICT General Programme	-	75	-	-	-	-	75	(75)	-
	Security Enhancement (ICT Main Prog) 2020-2021	30	-	-	-	-	-	30	(30)	-
	Storage Refresh (ICT Main Prog) 2020-2021	-	112	-	-	-	-	112	(112)	-
	Software Upgrades (ICT Main Prog) 2020-2021	150	-	-	-	-	-	150	(150)	-
	Infrastructure Upgrades (ICT Main Prog) 2020-2021	345	-	-	-	-	-	345	(345)	-
	Data Centres (ICT Main Prog) 2020-2021	26	-	-	-	-	-	26	(26)	-
	Future Developments 2020-2021	18	-	-	-	-	-	18	(18)	-
	IT Service Management 2020-2021	74	-	-	-	-	-	74	(74)	-
	Security Enhancement (ICT Main Prog) 2021-2022	-	120	-	-	-	-	120	(120)	-
	Software Upgrades (ICT Main Prog) 2021-2022	-	200	-	-	-	-	200	(200)	-
	Infrastructure Upgrades (ICT Main Prog) 2021-2022	-	1,272	-	-	-	-	1,272	(1,272)	-
	Data Centres (ICT Main Prog) 2021-2022	-	50	-	-	-	-	50	(50)	-
	Future Developments 2021-2022	-	728	-	-	-	-	728	(728)	-
	IT Service Management 2021-2022	-	176	-	-	-	-	176	(176)	-
	ICT Disaster Recovery	-	-	-	-	-	-	-	-	-
	Disaster Recovery 2020-2021	140	-	-	-	-	-	140	(140)	-
	ICT Desktop Refresh	-	-	-	-	-	-	-	-	-
	Desk top refresh 2020-2021	440	-	-	-	-	-	440	(440)	-
	Desk top refresh 2021-2022	-	140	-	-	-	-	140	(140)	-
	Digital Transformation Programme Software	-	-	-	-	-	-	-	-	-
	DTP Phase 2 - Customer Platform	200	30	-	-	-	-	230	(230)	-
	Service Led ICT Projects	-	50	-	-	-	-	50	(50)	-
	Migrate Care First to Eclipse	226	-	-	-	-	-	226	(226)	-
	IDOX/GIS Cloud Migration	10	87	-	-	-	-	97	(97)	-
	Fleet management system	-	75	-	-	-	-	75	(75)	-
	Trade waste CRM	-	60	-	-	-	-	60	(60)	-
	Migrate Care First to Eclipse_Adults and Finance Module	-	347	435	-	-	-	782	(782)	-
	Digital Inclusion	-	500	-	-	-	-	500	(500)	-
	Full Fibre Network	4,170	902	-	-	-	-	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	Co-Location Programme	-	-	-	-	-	-	-	-	-
	Children's Transformation - Bingley	8	-	-	-	-	-	8	(8)	-
	Looked after Children - Extensions/Vehicles	5	-	-	-	-	-	5	(5)	-

## Detailed projected budget

## Appendix 2

Division	Project	Projected budget							Internal resources £000	External resources £000
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total		
		£000	£000	£000	£000	£000	£000	£000		
<b>General Revenue Account capital programme</b>										
City Environment	Maintenance of classified roads	171	1,000	-	-	-	-	1,171	(1,144)	(27)
	Transport Structural Maintenance - Street Lighting	250	100	-	-	-	-	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	30	-	-	-	-	-	30	-	(30)
	Northycote Lane	102	-	-	-	-	-	102	(2)	(100)
	Hamble Road - resurface carriageways	42	-	-	-	-	-	42	-	(42)
	Development of the Highway Asset Management Plan and Strategy	75	-	-	-	-	-	75	-	(75)
	Bridgnorth Road - resurface carriageways	122	-	-	-	-	-	122	(122)	-
	Griffiths Drive - resurface carriageways	100	-	-	-	-	-	100	(100)	-
	Marston Road - resurface carriageways	240	-	-	-	-	-	240	(240)	-
	Bushbury Lane (Stafford Road to Shaw Lane) - resurface carriageways	125	-	-	-	-	-	125	-	(125)
	Fareham Crescent - resurface carriageways	87	-	-	-	-	-	87	(51)	(36)
	Cross Street North - resurface carriageways	-	100	-	-	-	-	100	(100)	-
	Raglan Street - Sainsburys S278 works	28	-	-	-	-	-	28	-	(28)
	Highway Improvement Programme	-	-	-	-	-	-	-	-	-
	Integrated Transport - Advance Design	200	-	-	-	-	-	200	-	(200)
	Integrated Transport - Cannock Road / Cross St North	6	-	-	-	-	-	6	-	(6)
	Shaw Rd (LPPF)	94	-	-	-	-	-	94	-	(94)
	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)
	Craddock Street Subway	40	-	-	-	-	-	40	-	(40)
	Lyndale Drive Culvert - Highways Improvement	40	-	-	-	-	-	40	(15)	(25)
	Wilemhall Road Culvert - Highways Improvement	40	-	-	-	-	-	40	(40)	-
	UTC Expansion CCTV	150	-	-	-	-	-	150	-	(150)
	Vehicles (Procurement)	980	4,968	-	-	-	-	5,948	(5,948)	-
	Bowman's Harbour - Former Landfill Sites	-	-	-	-	-	-	-	-	-
	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	60	20	-	-	-	-	80	-	(80)
	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	31	-	-	-	-	-	31	-	(31)
	Pink Rise - refurbishment of Open Space	32	10	-	-	-	-	42	-	(42)
	Bantock Park Taxi Pick Up Point	-	175	-	-	-	-	175	(175)	-
	Bushbury Recreation Ground - open space improvements	5	104	-	-	-	-	109	-	(109)
	Kingsclere Walk - refurbishment of existing play area	3	52	-	-	-	-	55	-	(55)
	Merridale Street - refurbishment of existing play area	76	4	-	-	-	-	80	-	(80)
	Northwood Park - refurbishment of existing play area	5	111	-	-	-	-	116	-	(116)
	Ashmore Park, Wednesfield - open space improvements	5	95	-	-	-	-	100	-	(100)
	Ward Street railway cutting - gas main diversion works for new open space	130	20	-	-	-	-	150	-	(150)
	Prouds Lane Open Space Improvements	-	122	-	-	-	-	122	-	(122)
	Wednesfield Link Open Space Improvements	-	72	-	-	-	-	72	-	(72)
	Smostow Valley Local Nature Reserve Open Space	-	16	-	-	-	-	16	-	(16)
	Oak Street Open Space - Woodland Planting	10	-	-	-	-	-	10	-	(10)
	Prouds Lane Playing Field - Open Space Improvements	25	-	-	-	-	-	25	-	(25)
	Black Country Blue Network Phase 2	-	-	-	-	-	-	-	-	-
	Ward Street Railway Cutting	19	505	348	128	-	-	1,000	-	(1,000)
	Pendeford Park Open Space	-	289	-	-	-	-	289	-	(289)
	Fowlers Park	-	345	-	-	-	-	345	-	(345)
	Walsall MBC Parks and Open Space	8	4	23	5	-	-	40	-	(40)
	Dudley MBC Open Space	9	81	135	27	-	-	252	-	(252)
	Severn Rivers Trust Cradley Projects	-	26	56	-	-	-	82	-	(82)
	Canal & Rivers Trust Coseley Canal	-	23	16	-	-	-	39	-	(39)
	Bereavement Services	-	-	-	-	-	-	-	-	-
	Bereavement Services Improvement Programme at Bushbury Crematorium site (drainage, pavements)	-	54	-	-	-	-	54	(54)	-
	Bushbury Crematorium	855	950	-	-	-	-	1,805	(1,805)	-
	Safety Programme	-	-	-	-	-	-	-	-	-
	Local Safety Schemes - TROs/ Signs&Guardrails / Road Ma	195	-	-	-	-	-	195	(95)	(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	-	70	-	-	-	-	70	(70)	-
	Lunt Road - traffic calming and zebra crossing	-	80	-	-	-	-	80	(80)	-
	Finchfield Lane	48	-	-	-	-	-	48	-	(48)
	Dunstall Road/Evans Street	121	-	-	-	-	-	121	-	(121)
	Bushbury Lane - crossing	82	-	-	-	-	-	82	(5)	(77)
	Arterial route – Stafford Road – areas at risk of accidents	-	120	-	-	-	-	120	(120)	-
	Stafford Road/Oxley Moor Road - new signs and signal upgrade	33	-	-	-	-	-	33	(30)	(3)
	Newhampton Road East & West - local safety improvement	-	50	-	-	-	-	50	(50)	-
	Bradley Lane - traffic calming	112	-	-	-	-	-	112	(100)	(12)
	Stafford Street - guardrail review	23	-	-	-	-	-	23	-	(23)

## Detailed projected budget

## Appendix 2

Division	Project	Projected budget							Internal resources £000	External resources £000
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total		
		£000	£000	£000	£000	£000	£000	£000		
<b>General Revenue Account capital programme</b>										
City Environment	Active Travel Programme	-	-	-	-	-	-	-	-	(30)
	Cycling - Cycle Route Improvements	30	-	-	-	-	-	30	-	(787)
	Wednesfield Road - footway widening and introducing shared cycle route	50	737	-	-	-	-	787	-	-
	Tunnel Lighting Scheme – towpath near interchange	30	-	-	-	-	-	30	-	(30)
	St Peters Ring Road/ Waterloo Road Cycleway	440	-	-	-	-	-	440	-	(440)
	National Cycle Routes	110	-	-	-	-	-	110	-	(110)
	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	-	-	-	-	-	-	-	-	-
	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 – Dudley, Sandwell and Walsall share	78	-	-	-	-	-	78	-	(78)
	Black Country Ultra Low Emission Vehicle Programme – Wolverhampton 2020-2021	27	-	-	-	-	-	27	-	(27)
	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)
Street Lighting	-	-	-	-	-	-	-	-	-	-
	Street Lighting replacement programme (Invest to Save)	120	1,856	-	-	-	-	1,976	(1,976)	-
	Smart Intelligent Infrastructure Investment (ERDF)	1,450	3,583	-	-	-	-	5,033	(2,940)	(2,093)
	Disabled Access (rolling programme)	20	-	-	-	-	-	20	-	(20)
Highway Structures (bridges, subways, retaining walls)	-	-	-	-	-	-	-	-	-	-
	Highway Structures - Council Assets - Strengthening	80	-	-	-	-	-	80	-	(80)
	Arthur Street Bridge	750	450	-	-	-	-	1,200	(201)	(999)
	Vaughan Subway	140	-	-	-	-	-	140	-	(140)
	Mothouse 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)	-
	Improving Pedestrian Safety	50	-	-	-	-	-	50	(50)	-
Waste & Recycling Strategy	-	-	-	-	-	-	-	-	-	-
	Garden waste bin 2020-2021	63	39	-	-	-	-	102	(102)	-
	Skips for temporary waste collection site 2020-2021	20	19	-	-	-	-	39	(39)	-
	Commercial Waste Services Bins 2020-2021	55	125	-	-	-	-	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	18	1	-	-	-	-	19	(19)	-
Emergency Active Travel Fund (EATF) Tranche 1	-	-	-	-	-	-	-	-	-	-
	EATF Tranche 1 - Lichfield Street, Queens Square and Darlington Street lane closure, removal of bays and seating	54	-	-	-	-	-	54	-	(54)
	EATF Tranche 1 - Contra flow cycle lane in Darlington Street / Lichfield street and cycle parking.	65	-	-	-	-	-	65	-	(65)
	EATF Tranche 1 - Victoria Street closure to motor vehicles and creation of a pedestrian / cycling zone.	45	-	-	-	-	-	45	-	(45)
	EATF Tranche 1 - Gateway markings and arrangements at ring road access points to aid social distancing	29	-	-	-	-	-	29	-	(29)
Emergency Active Travel Fund (EATF) Tranche 1b	-	-	-	-	-	-	-	-	-	-
	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	-	-	-	-	-	-	-	-	-	-
	Blaydon Road	380	-	-	-	-	-	380	-	(380)
	Dillows Lane	200	-	-	-	-	-	200	-	(200)
	Dunstall Road	140	-	-	-	-	-	140	-	(140)
	Great Brickkiln Lane	300	-	-	-	-	-	300	-	(300)
	Griffiths Drive	640	-	-	-	-	-	640	-	(640)
	New Street	47	-	-	-	-	-	47	-	(47)
	Old Fallings Lane	26	-	-	-	-	-	26	-	(26)
	Prouds Lane	400	-	-	-	-	-	400	-	(400)
	School Road	190	-	-	-	-	-	190	-	(190)
	The Holloway	153	-	-	-	-	-	153	-	(153)
	Warstones Drive	390	-	-	-	-	-	390	-	(390)
	Willenhall Road	190	-	-	-	-	-	190	-	(190)
	Ring Road Footways	100	-	-	-	-	-	100	-	(100)
	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)	-

## Detailed projected budget

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Division	Project	Projected budget							Internal resources £000	External resources £000
		2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Total £000		
<b>General Revenue Account capital programme</b>										
Education and Skills	Wilkinson Primary School - New Build	-	-	-	-	-	-	-	-	-
	Wilkinson Primary School - New Build	8	-	-	-	-	-	8	(8)	-
	Primary Expansion Programme	-	8,708	-	-	-	-	8,708	(800)	(7,908)
	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)	-
	St Bartholomew's Church of England Primary School - phase 4	200	1,500	-	-	-	-	1,700	(200)	(1,500)
	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)
	Electrical Works	-	-	-	-	-	-	-	-	-
	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)
	Bushbury Nursery - remedial electrical work	36	-	-	-	-	-	36	-	(36)
	Castlecroft Primary - remedial electrical work	55	-	-	-	-	-	55	-	(55)
	Dovecotes Primary - remedial electrical work	57	-	-	-	-	-	57	-	(57)
	Graiseley Primary - remedial electrical work	41	-	-	-	-	-	41	-	(41)
	Westacre Infants - remedial electrical work	57	-	-	-	-	-	57	-	(57)
	Contingency for Emergency Works	-	596	-	-	-	-	596	(270)	(326)
	Building Schools for Future ICT Infrastructure	-	-	-	-	-	-	-	-	-
	Infrastructure Abnormals/SLG/ELS	100	240	-	-	-	-	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	9	155	-	-	-	-	164	-	(164)
	Lanesfield Primary - replace hot and cold water pipework	107	-	-	-	-	-	107	-	(107)
	Asmire Park Nursery - underfloor heating	10	-	-	-	-	-	10	-	(10)
	Braybrook PRU - boiler replacement	83	-	-	-	-	-	83	-	(83)
	Rakegate Primary - hot water system	-	30	-	-	-	-	30	-	(30)
	St Andrews Church of England Primary - HOSRA building heating	24	-	-	-	-	-	24	-	(24)
	Stow Heath Primary - hot water system	62	-	-	-	-	-	62	-	(62)
	Whitgreave Primary - replacement boiler	37	-	-	-	-	-	37	-	(37)
	Windsor Nursery - replacement boiler	27	-	-	-	-	-	27	-	(27)
	West Park Primary - replacement boiler house flue	4	-	-	-	-	-	4	-	(4)
	Dovecotes Primary replacement boiler, pipework & control	130	-	-	-	-	-	130	-	(130)
	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	39	-	-	-	-	-	39	-	(39)
	Bilston Church of England Primary - flat roof	10	-	-	-	-	-	10	-	(10)
	Green Park Special School - flat roof	10	-	-	-	-	-	10	-	(10)
	Spring Vale Primary - flat roof	1	39	-	-	-	-	40	-	(40)
	St Andrews Church of England Primary - flat roof	75	-	-	-	-	-	75	-	(75)
	Bushbury Nursery - replacement flat roof	6	-	-	-	-	-	6	-	(6)
	Bilston Nursery - replacement ceiling	8	-	-	-	-	-	8	-	(8)
	Merridale Primary replacement roof covering phase 1	50	50	-	-	-	-	100	-	(100)
	Bantock Primary replacement roof tiles phase 1	35	35	-	-	-	-	70	-	(70)
	Fallings Park Primary replacement roof covering phase 1	60	60	-	-	-	-	120	-	(120)
	Capital Maintenance - Structural Works	-	-	-	-	-	-	-	-	-
	D'Eyncourt Primary - resurface car park	30	-	-	-	-	-	30	-	(30)
	Wood End Primary - boundary fence replacement	13	-	-	-	-	-	13	-	(13)
	Stow Heath Primary - toilets refurbishment	-	46	-	-	-	-	46	-	(46)
	Warstones Primary - cloakroom alterations	2	-	-	-	-	-	2	-	(2)
	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	2	-	-	-	-	-	2	-	(2)
	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	12	-	-	-	-	-	12	-	(12)
	Wood End Primary - playground resurfacing	34	-	-	-	-	-	34	(3)	(31)
	Kings CE School Priority Remedial Works	250	750	-	-	-	-	1,000	(1,000)	-
	Uplands Junior - resurface and drainage to drive	3	-	-	-	-	-	3	-	(3)
	Penn Hall Special - resurface drive	20	-	-	-	-	-	20	(10)	(10)
	Wodenfield Primary - refurbish toilets	42	-	-	-	-	-	42	-	(42)
	Lanesfield Primary - refurbish toilets	-	42	-	-	-	-	42	(4)	(38)
	Midpoint PRU security fencing installation	19	-	-	-	-	-	19	-	(19)
	Orchard PRU security fencing installation	7	-	-	-	-	-	7	-	(7)
	Castlecroft Primary internal restructuring	25	-	-	-	-	-	25	-	(25)

## Detailed projected budget

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Division	Project	Projected budget							Internal resources	External resources
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Revenue Account capital programme</b>										
Education and Skills	Capital Maintenance - Window Upgrade The Parkfields Centre - Orchard PRU - replacement windows	-	-	-	-	-	-	-	-	-
	Braybrook PRU - replacement windows	40	-	-	-	-	-	40	-	(40)
	Claregate Primary - replacement hall windows	50	-	-	-	-	-	50	-	(50)
	Education - BSF - Design & Build - Sample Schemes BSF - Sample Schemes - The Kings School	40	40	-	-	-	-	80	-	(80)
	Secondary School Expansion Programme Aldersley High	-	-	-	-	-	-	8,316	8,316	-
	Our Lady & St Chad's Catholic Academy	132	-	-	-	-	-	132	(114)	(8,202)
	Highfields School	441	-	-	-	-	-	441	(132)	-
	Ormiston SWB Academy	2	-	-	-	-	-	2	(441)	-
	St Edmund's Catholic Academy	(8)	-	-	-	-	-	(8)	(2)	-
	West Midlands University Technical College (UTC)	225	2,066	-	-	-	-	2,291	(266)	(2,025)
	Schools improvements RCCO funded Orchard PRU improvements - Sports Barn	1,000	1,000	-	-	-	-	2,000	(2,000)	-
	SPCF Special Provision Capital Fund	-	-	-	-	-	-	-	-	-
	SPCF Penn Hall Special School SEN sensory gym	202	-	-	-	-	-	202	(202)	-
	SPCF Green Park Special School SEN expansion	40	420	-	-	-	-	460	-	(460)
	SPCF Resource base St Michaels Church of England Primary	31	-	-	-	-	-	31	-	(31)
	SPCF Resource base St Martins Church of England Primary	2	-	-	-	-	-	2	-	(2)
	Healthy Pupil Capital Fund HPCF Primary school - sports & fitness	-	560	-	-	-	-	560	-	(560)
	HPCF Special schools - sports & fitness	50	-	-	-	-	-	50	-	(50)
	HPCF PRUs - sports & fitness	-	-	-	-	-	-	-	-	-
Public Health	Sports Investment Strategy Barnhurst Land Pitches	-	172	-	-	-	-	172	(172)	-
	Synthetic Pitch at Our Lady & St Chad's School	3	-	-	-	-	-	3	(3)	-
	Peace Green sport facilities	39	77	-	-	-	-	116	(116)	-
	Fordhouses Cricket Club	3	-	-	-	-	-	3	(3)	-
	Leisure Centres Enhancement WV Active - Aldersley Leisure Village Enhancement	-	-	-	-	-	-	-	-	-
	WV Active Leisure Centres - Lockers	65	-	-	-	-	-	65	(65)	-
	Aldersley Village - Outdoor Light System	125	-	-	-	-	-	125	(125)	-
	Central Baths - Plant Room Filters/Air Handling	100	-	-	-	-	-	100	(100)	-
	Bowling provision	14	-	-	-	-	-	14	(14)	-
	Cricket provision	-	102	-	-	-	-	102	-	(102)
	Newbridge Playing Fields	-	2	-	-	-	-	2	-	(2)
	Grants to other organisations	-	-	-	-	-	-	-	-	-
	NACRO Premises Refurbishment	8	-	-	-	-	-	8	-	(8)
<b>Total General Revenue Account - existing and new projects</b>		96,395	173,116	32,264	13,003	1,596	-	316,374	(219,175)	(97,199)

## Detailed projected budget

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Division	Project	Projected budget							Internal resources £000	External resources £000	
		2020-2021 £000	2021-2022 £000	2022-2023 £000	2023-2024 £000	2024-2025 £000	2025-2026 £000	Total £000			
<b>Housing Revenue Account capital programme</b>											
Housing Revenue Account	Decent Homes - Stock Improvements	-	-	-	-	-	-	-	-	-	
	High Rise M&E Infrastructure Refurbishment	3,740	6,530	6,930	5,790	4,830	850	28,670	(28,670)	-	
	Heath Town Refurbishment of Retained Properties	9,500	12,000	9,600	9,300	4,100	-	44,500	(44,500)	-	
	Internal Decency Works	1,760	3,000	5,000	5,000	5,000	5,000	24,760	(24,760)	-	
	Bushbury Improvement Programme	100	900	-	-	-	-	1,000	(1,000)	-	
	Mid Rise Infrastructure	-	100	500	1,000	1,000	1,000	3,600	(3,600)	-	
	Minor Works/Door Entry Rolling Programme	-	-	-	-	-	-	-	-	-	
	Door Entry (2005/06 Spend Onwards)	370	370	370	370	370	370	2,220	(2,220)	-	
	Pathway Improvement and Safety Programme	-	-	-	-	-	-	-	-	-	
	Repairs - Pathways/Unadopted Roads	200	200	200	200	200	200	1,200	(1,200)	-	
	External Improvement Programme	-	-	-	-	-	-	-	-	-	
	External Improvement Works (Pre Decent Homes)	1,100	600	-	-	-	-	1,700	(1,700)	-	
	Adaptations for People with Disabilities	850	1,400	1,000	1,000	1,000	1,000	6,250	(6,250)	-	
	WH Service Sales Admin & Capitalised Salaries	-	-	-	-	-	-	-	-	-	
	Sale of Council Houses Admin	60	60	60	60	60	60	360	(360)	-	
	Wton Homes - Capitalised Sals	1,700	1,700	1,700	1,700	1,700	1,700	10,200	(10,200)	-	
	Housing services capitalised salaries	-	-	-	-	-	-	-	-	-	
	Housing Services Capitalised Salaries	502	500	500	500	500	500	3,002	(3,002)	-	
	Refurbishment of Voids	-	-	-	-	-	-	-	-	-	
	Refurbishment of Voids to Decent Homes Standard	5,640	4,500	3,000	3,000	3,000	3,000	22,140	(22,140)	-	
	Boiler Replacement Programme	-	-	-	-	-	-	-	-	-	
	Boiler Replacement	726	680	680	680	680	680	4,126	(4,126)	-	
	Heath Town	-	-	-	-	-	-	-	-	-	
	Heath Town	762	500	-	-	-	-	1,262	(1,262)	-	
	Tap Works site	-	-	-	-	-	-	-	-	-	
	Tap works – Showell Road	100	-	-	-	-	-	100	(100)	-	
	Structural works	-	-	-	-	-	-	-	-	-	
	Structural works	814	1,120	1,000	1,000	1,000	1,000	5,934	(5,934)	-	
	Remedial Works to non-traditional properties	-	-	-	-	-	-	-	-	-	
	Jericho House	50	200	-	-	-	-	250	(250)	-	
	Lift and DDA Improvements	-	-	-	-	-	-	-	-	-	
	Lift Improvements	250	400	500	520	500	520	2,690	(2,690)	-	
	Fire Safety Improvements	-	-	-	-	-	-	-	-	-	
	High Rise Fire Safety Issues	2,280	4,310	4,590	3,800	3,730	850	19,560	(19,560)	-	
	Fire Safety Improvements - Medium and Low Rise	150	2,100	2,250	3,000	3,100	3,100	13,700	(13,700)	-	
	Roof Refurbishment Programme	-	-	-	-	-	-	-	-	-	
	Roofing Refurbishment Programme - City wide	3,440	4,460	4,800	4,800	4,800	4,800	27,100	(27,100)	-	
	Tower and Fort Works	-	-	-	-	-	-	-	-	-	
	Tower and Fort Works Project	300	-	-	-	-	-	300	(300)	-	
	New Build Programme	-	-	-	-	-	-	-	-	-	
	Old Fallings Crescent	100	-	4,900	-	-	-	5,000	(5,000)	-	
	Sustainable Estates Programme	-	-	-	-	-	-	-	-	-	
	Sustainable Estates Programme	360	1,600	1,200	1,200	1,200	1,200	6,760	(6,760)	-	
	Non Trad Surveys	-	-	-	-	-	-	-	-	-	
	Non Traditional Surveys	-	-	142	50	50	200	250	692	(692)	-
	Small Sites 4	-	-	-	-	-	-	-	-	-	
	Small Sites 4	670	-	-	-	-	-	670	(670)	-	
	Commercial Conversions	-	-	-	-	-	-	-	-	-	
	Bond House conversion to residential	200	1,800	-	-	-	-	2,000	(2,000)	-	
	Burton Crescent	-	-	-	-	-	-	-	-	-	
	Burton Crescent	1,161	-	-	-	-	-	1,161	(742)	(419)	
	Heath Town New Build Programme	-	-	-	-	-	-	-	-	-	
	Heath Town New Build Phase 1	-	-	5,000	4,500	-	-	9,500	(9,500)	-	
	Heath Town New Build Phase 2	-	-	5,000	4,500	3,500	-	13,000	(13,000)	-	
	Heath Town New Build Phase 3	-	-	2,500	5,000	2,500	-	10,000	(10,000)	-	
	WVL Units	-	-	-	5,000	5,000	10,000	20,000	(20,000)	-	
	WVL Units - Prouds Lane	1,200	-	440	-	-	-	1,640	(1,550)	(90)	
	WVL Units - Wednesfield	4,500	-	4,050	-	-	-	8,550	(8,550)	-	
	WVL Units - Former Residential care Home Sites	1,000	-	700	-	-	-	1,700	(1,700)	-	
	Northicote	-	-	500	2,000	-	-	2,500	(2,500)	-	
	Medium Sites	-	-	-	-	-	-	-	-	-	
	Medium Sites	471	-	4,900	2,900	-	-	8,271	(8,271)	-	
	High Rise Sprinkler Programme	-	-	-	-	-	-	-	-	-	
	High Rise Sprinkler Programme	3,160	-	6,160	6,530	5,460	4,300	500	26,110	(26,110)	
	High Rise External Works	-	-	-	4,800	4,700	2,650	12,150	(12,150)	-	
	Reedham Gardens	-	-	-	-	-	-	-	-	-	
	Reedham Gardens	-	-	3,929	-	-	-	3,929	(3,929)	-	
	Additional Social Housing	-	-	-	-	-	-	-	-	-	
	Additional Social Housing	1,500	-	3,000	2,000	2,000	2,000	12,500	(12,390)	(110)	
	Small Sites Programme	-	-	-	-	-	-	-	-	-	
	Bushbury Hill Community Housing	20	-	1,480	-	-	-	1,500	(1,500)	-	
	Inkerman Street Community Housing	50	-	1,450	-	-	-	1,500	(1,500)	-	
	Small Sites 5	100	-	5,400	-	-	-	5,500	(5,500)	-	
	Estate Remodelling	-	-	10,000	10,000	10,000	10,000	40,000	(40,000)	-	
	Estate remodelling - New Park Village	500	-	1,606	-	-	-	2,106	(2,106)	-	
<b>Total Housing Revenue Account - existing and new projects</b>		<b>49,386</b>	<b>95,287</b>	<b>86,260</b>	<b>84,280</b>	<b>73,330</b>	<b>61,930</b>	<b>450,473</b>	<b>(449,854)</b>	<b>(619)</b>	

## Detailed forecast change

## Appendix 3

Division	Project	Approved budget £000	Proposed budget £000	Total change £000	Comments
<b>General Revenue Account capital programme</b>					
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	243	490	247	The change in this budget reflects allocation of resources for 2021-2022.
	Corporate Asset Management	4,788	4,788	-	
	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	-	
Finance	Corporate Contingency	20,437	19,337	(1,100)	The change in this budget reflects movements as detailed in Appendix 5.
	Capitalisation Directives	10,000	10,000	-	
	WV Living	50,300	50,300	-	
	Other Equity Investments and Loans to Companies	5,700	5,700	-	Recommended for approval by Cabinet subject to Special Urgency Decision.
Land and Property Investment Fund	Land and Property Investment Fund	125	125	-	
Regeneration	i54 Access and Infrastructure	465	465	-	
	Targeted Disposals Programme	39	39	-	
	South Side	315	315	-	
	Wolverhampton Interchange Office/Retail Accommodation	13,000	13,000	-	
	Wolverhampton Interchange Block 11	57	57	-	
	Bilston Urban Village	2,758	2,758	-	
	Black Country Growth Deal – Cultural Programme	30,658	30,658	-	
	Interchange - Ph2 Train Station/MSCP/Metro Extension	9,327	9,334	7	The change in this budget reflects movement as detailed in Appendix 5.
	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	1,397	1,397	-	
	Strategic Land Acquisitions	3,963	3,963	-	
	AIM for GOLD - ERDF	1,296	1,296	-	
	Future High Street Fund	5,000	5,600	600	The change in this budget reflects movement as detailed in Appendix 5.
Strategy	ICT General Programme	3,380	3,376	(4)	The change in this budget reflects movement as detailed in Appendix 5.
	ICT Disaster Recovery	140	140	-	
	ICT Desktop Refresh	580	580	-	
	Digital Transformation Programme Software	230	230	-	
	Service Led ICT Projects	1,286	1,290	4	The change in this budget reflects movement as detailed in Appendix 5.
	Digital Inclusion	-	500	500	The change in this budget reflects new proposed project for which approval is now sought in Appendix 4.
	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	3,032	3,025	(7)	The change in this budget reflects movement as detailed in Appendix 5.
	Raglan Street - Sainsburys S278 works	28	28	-	
	Highway Improvement Programme	1,121	1,161	40	The change in this budget reflects movement as detailed in Appendix 5.
	Vehicles (Procurement)	5,948	5,948	-	
	Bowman's Harbour - Former Landfill Sites	101	101	-	
	Markets Wton Wholesale Market	11	11	-	
	Markets Bilston Retail Market	17	17	-	
	Parks Strategy and Open Space	2,043	2,078	35	The change in this budget reflects new proposed projects for which approval is now sought within Appendix 4.
	Bereavement Services	1,859	1,859	-	
	Safety Programme	1,492	1,442	(50)	The change in this budget reflects movement as detailed in Appendix 5.
	Active Travel Programme	82	1,397	1,315	The change in this budget reflects new grant allocation and new projects for which approval is now sought within Appendix 4.
	Network Development - Safer Routes to School	52	52	-	
	Accessing Growth Fund - Major Roads Network	1,009	1,006	(3)	The change in this budget reflects movement as detailed in Appendix 5.

## Detailed forecast change

## Appendix 3

Division	Project	Approved budget £000	Proposed budget £000	Total change £000	Comments
<b>General Revenue Account capital programme</b>					
City Environment	Street Lighting	7,009	7,009	-	
	Disabled Access (rolling programme)	20	20	-	
	Highway Structures (bridges, subways, retaining walls)	1,490	1,450	(40)	The change in this budget reflects virement as detailed in Appendix 5.
	Maintenance of unclassified roads	2,471	2,471	-	
	Maintenance of Non Highway Structures	3	3	-	
	Security Enhancement works	-	50	50	The change in this budget reflects virement as detailed in Appendix 5.
	Waste & Recycling Strategy	321	321	-	
	Lighting up the City	89	89	-	
	Smart and Accessible City	183	183	-	
	General Waste Service Improvement	44	44	-	
	Emergency Active Travel Fund (EATF) Tranche 1	210	193	(17)	The change in this budget reflects virements as detailed in Appendix 5.
	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	-	
	Black Country Blue Network Phase 2	2,047	2,047	-	
Education and Skills	Wilkinson Primary School - New Build	8	8	-	
	Primary Expansion Programme	10,604	10,604	-	
	Schools Devolved Formula Capital	1,173	1,173	-	
	Prudential Loans	150	150	-	
	Asbestos Removal	26	26	-	
	Electrical Works	324	321	(3)	The change in this budget reflects virement as detailed in Appendix 5.
	Contingency for Emergency Works	1,074	596	(478)	The change in this budget reflects virement as detailed in Appendix 5.
	Building Schools for Future ICT Infrastructure	340	340	-	
	Capital Maintenance - Fire Safety	1,304	1,304	-	
	Capital Maintenance - Heating Pipework Upgrades	553	678	125	The change in this budget reflects new proposed projects for which approval is now sought within Appendix 4.
	Capital Maintenance - Roof / Ceilings Replacements	193	488	295	The change in this budget reflects new proposed projects for which approval is now sought within Appendix 4.
	Capital Maintenance - Structural Works	1,694	1,752	58	The change in this budget reflects new proposed projects for which approval is now sought within Appendix 4.
	Capital Maintenance - Window Upgrade	163	170	7	The change in this budget reflects new proposed projects for which approval is now sought within Appendix 4.
	Education - BSF - Design & Build - Sample Schemes	5	5	-	
	Secondary School Expansion Programme	13,174	13,174	-	
	Schools improvements RCCO funded	202	202	-	
	SPCF Special Provision Capital Fund	1,103	1,103	-	
	Healthy Pupil Capital Fund	63	59	(4)	The change in this budget reflects virement as detailed in Appendix 5.
Public Health	Sports Investment Strategy	326	326	-	
	Leisure Centres Enhancement	304	304	-	
	Bowling provision	102	102	-	
	Cricket provision	2	2	-	
	Grants to other organisations	8	8	-	
<b>Total General Revenue Account capital programme - existing and new projects</b>		<b>314,797</b>	<b>316,374</b>	<b>1,577</b>	

## Detailed forecast change

## Appendix 3

Division	Project	Approved budget £000	Proposed budget £000	Total change £000	Comments
<b>Housing Revenue Account</b>					
Housing Revenue Account	Decent Homes - Stock Improvements	102,530	102,530	-	
	Minor Works/Door Entry Rolling Programme	2,220	2,220	-	
	Pathway Improvement and Safety Programme	1,200	1,200	-	
	External Improvement Programme	1,700	1,700	-	
	Adaptations for People with Disabilities	6,250	6,250	-	
	WH Service Sales Admin & Capitalised Salaries	10,560	10,560	-	
	Housing services capitalised salaries	3,002	3,002	-	
	Refurbishment of Voids	22,140	22,140	-	
	Boiler Replacement Programme	4,126	4,126	-	
	Heath Town	1,262	1,262	-	
	Tap Works site	100	100	-	
	Structural works	10,244	10,244	-	
	Lift and DDA Improvements	2,690	2,690	-	
	Fire Safety Improvements	33,260	33,260	-	
	Roof Refurbishment Programme	27,100	27,100	-	
	Tower and Fort Works	300	300	-	
	New Build Programme	30,050	30,050	-	
	Sustainable Estates Programme	6,760	6,760	-	
	Non Trad Surveys	692	692	-	
	Small Sites 4	670	670	-	
	Commercial Conversions	2,000	2,000	-	
	Burton Crescent	1,161	1,161	-	
	Heath Town New Build Programme	32,500	32,500	-	
	WVL Units	31,890	31,890	-	
	Northicote	2,500	2,500	-	
	Medium Sites	8,271	8,271	-	
	High Rise Sprinkler Programme	26,110	26,110	-	
	High Rise External Works	12,150	12,150	-	
	Reedham Gardens	3,929	3,929	-	
	Additional Social Housing	12,500	12,500	-	
	Small Sites Programme	8,500	8,500	-	
	Estate Remodelling	42,106	42,106	-	
<b>Total Housing Revenue Account - existing projects</b>		<b>450,473</b>	<b>450,473</b>	<b>-</b>	

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## Projects requiring approval

## Appendix 4

New projects created from virements and additional resources  A full set of virements can be found in Appendix 5	2020 - 2021 2021 - 2022 2022 - 2023 2023 - 2024 2024 - 2025 2025 - 2026						Total £000	Virement £000	Additional resources	
	£000	£000	£000	£000	£000	£000			Internal £000	External £000
<b>General Revenue Account capital programme</b>										
Schools Capital Maintenance										
Approval is sought for capital maintenance works across the following schools:										
Dovecotes Primary - replacement boiler, pipework and control	130	-	-	-	-	-	130	130	-	-
Merridale Primary - replacement roof covering phase 1	50	50	-	-	-	-	100	100	-	-
Bantock Primary - replacement roof tiles phase 1	35	35	-	-	-	-	70	70	-	-
Fallings Park Primary - replacement roof covering phase 1	60	60	-	-	-	-	120	120	-	-
Midpoint PRU - security fencing installation	19	-	-	-	-	-	19	19	-	-
Orchard PRU - security fencing installation	7	-	-	-	-	-	7	7	-	-
Castlecroft Primary - internal restructuring	25	-	-	-	-	-	25	25	-	-
<b>Parks Strategy and Open Spaces Capital Programme</b>										
Approval is sought to carry out open space improvements including planting a Tiny Forest in Partnership with Earthwatch Environmental Charity for the following projects:										
Oak Street Open Space - Woodland Planting	10	-	-	-	-	-	10	-	-	10
Prouds Lane Playing Field - Open Space Improvements	25	-	-	-	-	-	25	-	-	25
<b>Active Travel Programme</b>										
Approval is sought for the following cycleway improvement projects:										
St Peters Ring Road/ Waterloo Road Cycleway	440	-	-	-	-	-	440	-	-	440
National Cycle Routes	110	-	-	-	-	-	110	-	-	110
<b>ICT Capital Programme</b>										
Approval is sought for the following project to support the Council's recovery work in line with the Relighting Our City agenda.										
Digital Inclusion	-	500	-	-	-	-	500	500	-	-
<b>Total General Revenue Account capital programme new projects</b>	<b>911</b>	<b>645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,556</b>	<b>971</b>	<b>-</b>	<b>585</b>
<b>Financing</b>										
Internal resources	-	500	-	-	-	-	500	500	-	-
External resources	911	145	-	-	-	-	1,056	471	-	585
<b>Grand total financing</b>	<b>911</b>	<b>645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,556</b>	<b>971</b>	<b>-</b>	<b>585</b>

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## Virements for approval

## Appendix 5

Capital project	Virement		Comments
	Existing project £000	New project £000	
<b>General Revenue Account</b>			
<b>Re-allocation virements to new projects</b>			
Schools Capital Maintenance - Emergency works			
Provision for future programmes	(471)	-	
Schools Capital Maintenance - Boilers / Pipeworks			
Dovecotes Primary - replacement boiler, pipework and control	-	130	
Schools Capital Maintenance - Roof / Ceiling			
Merridale Primary - replacement roof covering phase 1	-	100	
Bantock Primary - replacement roof tiles phase 1	-	70	
Fallings Park Primary - replacement roof covering phase 1	-	120	
Schools Capital Maintenance - Structural / Demolition / Ext.works / Security			
Midpoint PRU - security fencing installation	-	19	
Orchard PRU - security fencing installation	-	7	
Castlecroft Primary - internal restructuring	-	25	
Corporate Contingency			
Provision for future programmes	(500)	-	
ICT Capital Programme			
Digital Inclusion	-	500	A virement is proposed to support the Council's recovery work in line with the Relighting Our City agenda.
<b>Re-allocation virements to existing projects</b>			
Primary Expansion Programme			
Provision for future programmes	(1,500)		
St Bartholomew's Church of England Primary School - phase 4	1,500		A virement is proposed to reallocate resources to support permanent expansion works at St Bartholomew's Church of England Primary School.
Schools Capital Maintenance - Emergency works			
Provision for future programmes	(7)		
Schools Capital Maintenance - Windows			
Claregate Primary - replacement hall windows	7	-	A virement is proposed to reallocate resources for window replacement at Claregate Primary School.
General Fund Housing - Empty Properties Strategy			
Provision for future programmes	(120)		
30 Victoria Road	80		
99 Mifields Road Bリストン	40	-	
Vehicles (Procurement)			
Provision for future programmes	(55)		
Purchase of Vehicles 2020-2021 (7 years)	55	-	A virement is proposed to reallocate resources to support acquisition of prioritised vehicles.
Highway Improvements & Active Travel			
Provision for future programmes	(115)		
Local Safety Schemes - TROs/ Signs&Guardrails / Road Markings	65		
Security Enhancement Works			
Improving Pedestrian Safety	50		A virement is proposed to reallocate resources to individual projects to support additional works. Due to higher Traffic Regulation Orders workload in response to Covid-19 and demand for minor works and TRO on the highways particularly around the schools have increased the projected costs. Higher than anticipated costs related to Improving Pedestrian Safety project are due to delay in project delivery which was partly due to contractor issues and subsequently Covid-19 lockdown.
Corporate Contingency			
Provision for future programmes	(600)		
Future High Street Fund			
Provision for future programmes	600	-	A virement is proposed to reallocate resources to support the Future High Street Fund capital programme as detailed in the report also on this agenda.
<b>Project to project virements</b>			
Secondary School Expansion Programme			
Aldersley High	(70)		
Highfields School	(44)		
Provision for future programmes	114	-	Virements are proposed to reallocate resources to the provision for future programmes due to the schemes now being completed.
Schools Capital Maintenance - Structural / Demolition / Ext.works / Security			
Lanesfield Primary - refurbish toilets	(3)	-	
Christ Church, Church of England, Infant School - drainage to modular classroom	(3)	-	
Wodenfield Primary - refurbish toilets	(3)	-	
Wood End Primary - boundary fence replacement	12	-	
Warstones Primary - cloakroom alterations	2	-	
Westacre Infants - replacement floor covering	2	-	
Schools Capital Maintenance - Windows			
The Parkfields Centre - Orchard PRU - replacement windows	(3)		
Claregate Primary - replacement hall windows	3		
Schools Capital Maintenance - Rewiring / Electrical works			
Graiseley Primary - remedial electrical work	(4)		
Dovecotes Primary - remedial electrical work	(3)		
Bushbury Nursery - remedial electrical work	4	-	
Schools Capital Maintenance - Boilers / Pipeworks			
Braybrook PRU - boiler replacement	(5)	-	
Healthy Pupil Capital Fund			
HPCF Primary school - sports & fitness	(4)	-	
Capital Maintenance - Roof / Ceiling			
Bushbury Nursery - replacement flat roof	(4)	-	
West Park Primary - replacement roof covering	(3)	-	
St Andrews Church of England Primary - flat roof	9	-	
Bリストン Nursery - replacement ceiling	3	-	

## Virements for approval

## Appendix 5

Capital project	Virement		Comments
	Existing project £000	New project £000	
<b>General Revenue Account</b>			
EZ i54			
i54 Access and Infrastructure - i54 - Contingency / General Costs - WCC	(19)		- 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 adoption and detrunking costs, final works costs, legal fees for sale of remaining plots and Highways Agency and Canals and River Trust costs.
Provision for future programmes	19		
i54 Western Extension			
Access Road			
Site Preparation Works	(318)	318	- A virement is required due to realignment of budgets within overall project expenditure approval to reflect current spend profiles.
Maintenance of Structures			
Bridgnorth Road - resurface carriageways	(7)		-
Wolverhampton Interchange Phase 2			
Interchange - Phase 2 Train Station/MSCP - Neptune Payments	7		- A virement is proposed to provide a support for Cycle Hub.
ICT Desktop Refresh			
Desk top refresh 2021-2022	(105)		-
Desk top refresh 2020-2021	105		-
ICT General Programme			
Infrastructure Upgrades (ICT Main Prog) 2020-2021	(320)		-
IT Service Management 2020-2021	(126)		-
Software Upgrades (ICT Main Prog) 2021-2022	(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.
Security Enhancement (ICT Main Prog) 2020-2021	(40)		-
Data Centres (ICT Main Prog) 2020-2021	(29)		-
Future Developments 2020-2021	(4)		-
Infrastructure Upgrades (ICT Main Prog) 2021-2022	314		-
IT Service Management 2021-2022	126		-
Software Upgrades (ICT Main Prog) 2020-2021	60		-
Security Enhancement (ICT Main Prog) 2021-2022	40		-
Data Centres (ICT Main Prog) 2021-2022	35		-
Migrate Care First to Eclipse	4		-
General Fund Housing - Disabled Facilities Grants			
Mandatory Disabled Facilities Grants	(5)		- A virement is proposed to accommodate an increased demand of stair lift maintenance within the Disabled Facilities Grants capital programme.
Stair Lift Maintenance	5		
General Fund Housing - Empty Properties Strategy			
29 Lime Street, Penfields	(13)		- Virements are proposed to reflect latest estimated forecast
19 Chester Street	(9)		- spend within the Empty Properties Strategy capital programme.
99 Mifields Road Bilston	22		-
Maintenance of Structures			
Bridgnorth Road - resurface carriageways	(71)		- A virement is proposed to support Marston Road resurface project. Site conditions on excavation showed more resources than estimated required on this project.
Marston Road - resurface carriageways	71		
Highway Improvements & Active Travel			
Integrated Transport - Junction Upgrades – Birmingham New Road / Shaw Road	(6)		- A virement is proposed to reallocate resources to Cannock Road/Cross Street North project that will enable to complete project design whilst awaiting for the funding bid outcome.
Integrated Transport - Cannock Road / Cross Street North	6		-
Stafford Street - guardrail review	(27)		- Virements are proposed to utilise resources on works below;
Finchfield Lane	4		- Costs higher than anticipated once full design completed.
Dunstall Road / Evans Street	6		- Requirement as scheme more extensive than originally planned.
Bushbury Lane - crossing	2		- Costs higher than anticipated once scheme designed.
Stafford Road / Oxley Moor Road - new signs and signal upgrade	3		- Variable message sign technology required resulted in higher costs.
Bradley Lane - traffic calming	12		- Civils costs higher than anticipated once full design completed.
EATF Tranche 1 - Victoria Street closure to motor vehicles and creation of a pedestrian / cycling zone.	(43)		-
EATF Tranche 1 - Lichfield Street, Queens Square and Darlington Street lane closure, removal of bays and seating	(31)		- Virements are proposed to reallocate resources within the Emergency Active Travel Fund (EATF) Tranche 1 capital programme as per final declaration.
EATF Tranche 1 - Contra flow cycle lane in Darlington Street / Lichfield street and cycle parking.	32		-
EATF Tranche 1 - Gateway markings and arrangements at ring road access points to aid social distancing	25		-
Cycling - Cycle Route Improvements	17		-
Maintenance of Structures			
Highway Structures - Council Assets - Strengthening	(40)		- A virement is proposed to reallocate resources to cover increased costs related to Craddock Street Subway project.
Highway Improvements & Active Travel			- Ongoing consultation with all parties resulted in additional Traffic Regulation Orders (TRO), landscaping and settlement of the final account.
Craddock Street Subway	40		
Parks Strategy & Open Spaces			
Fowlers Park	(6)		- A virement is proposed to support refurbishment of play area at Windsor Avenue.
Windsor Avenue - refurbishment of Play Area	6		
<b>Total General Revenue Account capital programme</b>	<b>(971)</b>	<b>971</b>	

<b>Grand total</b>	<b>(971)</b>	<b>971</b>
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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 February 2021</b>
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<b>Report title</b>	Treasury Management Strategy 2021-2022		
<b>Decision designation</b>	RED		
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources		
<b>Key decision</b>	Yes		
<b>In forward plan</b>	Yes		
<b>Wards affected</b>	All Wards		
<b>Accountable Director</b>	Tim Johnson, Chief Executive		
<b>Originating service</b>	Strategic Finance		
<b>Accountable employee</b>	Claire Nye	Director of Finance	
	Tel	01902 550478	
	Email	Claire.Nye@wolverhampton.gov.uk	
<b>Report to be/has been considered by</b>	Strategic Executive Board Council Our Council Scrutiny Panel	5 February 2021 3 March 2021 17 March 2021	

**Recommendations for decision:**

The Cabinet recommends that Council approves:

1. The authorised borrowing limit for 2021-2022 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 to be set at £1,166.2 million (PI3, Appendix 3 to this report); the forecast borrowing is below the authorised borrowing limit.
2. The Treasury Management Strategy Statement 2021-2022 as set out in Appendix 1 to this report.
3. The Annual Investment Strategy 2021-2022 as set out in Appendix 2 to this report.
4. The Prudential and Treasury Management Indicators as set out in Appendix 3 to this report.
5. The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2021-2022 as set out in Appendix 4 to this report.

6. The method used to calculate MRP for 2020-2021 as set out in the Annual MRP Statement approved by Council on 4 March 2020 be amended to the method as set out in Appendix 4 to this report.
7. The Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 to this report.
8. That authority continues to be delegated to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Cabinet Member for Resources and Cabinet (Resources) Panel as appropriate.
9. That authority continues to be delegated to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the third credit rating agency, due to the unprecedented impact of Covid-19 on the economy.

The Cabinet is recommended to approve:

1. That authority is delegated to the Cabinet Member for Resources in consultation with the Director of Finance to progress feasibility and investment propositions in a timely manner. Updates on any propositions will be provided to Cabinet or Cabinet (Resources) Panel in future reports.

**Recommendations for noting:**

The Cabinet recommends that Council is asked to note:

1. That the MRP charge for the financial year 2021-2022 will be £18.2 million; it is forecast to increase to £25.5 million in 2022-2023 (paragraph 2.14 of the report).
2. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2021-2022 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in paragraph 2.12 and Appendices 2 and 3 to this report.

## **1.0 Purpose**

1.1 This report sets out the Council's Treasury Management Strategy for 2021-2022 for approval by Full Council. The strategy incorporates six elements, which are detailed in separate documents, appended to this report. These documents are:

- The Treasury Management Strategy
- The Annual Investment Strategy
- The Prudential and Treasury Management Indicators
- Minimum Revenue Provision (MRP) Statement
- The Disclosure for Certainty Rate
- The Treasury Management Policy Statement and Practices

## **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 Policy Statement and Treasury Management Practices which are appended to this report.

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 The Treasury Management Strategy for 2020-2021 included the implementation of a new accounting standard for leases. Under current guidance there are two forms of lease, a finance lease (on balance sheet) and an operating lease (off balance sheet). On balance sheet leases are classified as 'Other Long Term Liabilities' and are treated as a form of debt which must count towards the authorised borrowing limit required by statute.

2.5 This new accounting standard was originally to be implemented in 2020-2021 and would have meant almost all lease contracts would become on balance sheet. The only exemptions being for short term leases and low value assets, these exemptions are optional. At the time, the Council reviewed all of its lease contracts to establish the impact of this accounting rule change and an estimate of £5.0 million was included in the authorised borrowing limit for 2020-2021. However, due to the Covid-19 pandemic, implementation was delayed by one year to 2021-2022 and has since been deferred a further year to 2022-2023 because of the continuing pandemic pressures.

- 2.6 On 1 February 2021 CIPFA announced two consultations on proposed changes to the Treasury Management Code and the Prudential Code. This is to reflect the changing environment in treasury management and following recommendations from the Public Accounts Committee. Both consultations will close on 12 April 2021 with the results published towards the end of 2021-2022 and full adoption expected from 2022-2023. The Council will review the consultations in detail and consider any potential impact it may have and report back to Councillors as and when required.
- 2.7 The Council's Treasury Management Strategy will be approved annually by Council and there will also be a mid-year report to Council. In addition, there will be quarterly monitoring reports and regular review by Councillors in both Executive and Scrutiny functions. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function are fully aware of the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.
- 2.8 This Council will adopt the following reporting arrangements in accordance with the requirements of the Code.

Area of Responsibility	Council / Committee / Employee	Frequency of Update and Approval
Treasury Management Policy Statement and Treasury Management Practices	Director of Finance	As required
Treasury Management Strategy / Annual Investment Strategy / MRP policy	Cabinet (Feb) & Full Council (March)	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid-year report	Full Council	Mid-year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Full Council	As required
Annual Treasury Outturn Report	Cabinet and Full Council	Annually by 30 September after the end of the year
Treasury Management Monitoring Reports	Cabinet (Resources) Panel	Quarterly
Scrutiny and review of treasury management strategy	Our Council Scrutiny Panel	Annually before the start of the year
Scrutiny and review of treasury management performance	Our Council Scrutiny Panel	Quarterly

## 2.9 The treasury management role of the Director of Finance

The following are the key duties of the Director of Finance under the Code:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
  - submitting regular treasury management policy reports.
  - submitting budgets and budget variations.
  - receiving and reviewing management information reports.
  - reviewing the performance of the treasury management function.
  - ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function.
  - ensuring the adequacy of internal audit, and liaising with external audit.
  - recommending the appointment of external service providers.
- 2.10 With regards the Practices for non-treasury investments, the main focus is that these types of investment should be of benefit to the economic, social or environmental wellbeing of the area served by City of Wolverhampton Council and/or the West Midlands Combined Authority, as detailed in the Council's Capital Strategy.

## 2.11 Treasury Management Strategy (Appendix 1)

Attached at Appendix 1 to the report is the recommended Treasury Management Strategy for 2021-2022. This has been prepared in accordance with the CIPFA Treasury Management Code, and fully reflects the requirements of the Code. It summarises in strategic terms the approach the Council will take in performing its treasury management activities during 2021-2022. It also highlights some of the key current risks and issues relating to treasury management that will be monitored over the course of the year.

## 2.12 Annual Investment Strategy (Appendix 2)

The recommended Annual Investment Strategy for 2021-2022 is attached at Appendix 2 to the report. This builds on the Treasury Management Strategy by focussing in greater detail on investment activities. It sets out in considerable detail the conditions under which the Council will place investments. This represents the Council's approach to managing a number of risks inherently associated with investment. These are discussed in greater detail in the Strategy itself.

## 2.13 Prudential and Treasury Management Indicators (Appendix 3)

Attached at Appendix 3 to the report are the recommended prudential indicators for the Council for 2021-2022. The Prudential Code requires authorities to set and observe a range of prudential and treasury management indicators, and to keep these under review. The indicators set out in the appendix are the minimum required by the Code and associated guidance.

## 2.14 MRP Statement (Appendix 4)

The recommended MRP statement for 2021-2022 is attached at Appendix 4 to the report. The formula for calculating MRP is mainly unchanged from the annuity basis used in 2020-2021, with just a point of clarification which has been added relating to acquisition of share capital. The forecast MRP charge is £18.2 million for 2021-2022; increasing to £25.5 million in 2022-2023. The Council's Section 151 Officer considers that this approach is prudent.

## 2.15 Certainty Rate (Appendix 5)

The certainty rate enables eligible councils to access cheaper borrowing rates of 20 basis points (bps) below the standard rate across all loan types and maturities from the Public Works Loan Board. In exchange for the reduced rate, councils must complete an annual return to Ministry of Housing, Communities & Local Government (MHCLG) detailing their budgeted plans for capital expenditure and borrowing requirements. Appendix 5 to the report details the information that will be required to enable the Council to submit a return for 2021-2022.

## 2.16 Treasury Management Policy Statement and Practices (Appendix 6)

Attached at Appendix 6 to the report is an updated version of the Council's treasury management policy statement and practices as required by the CIPFA Code of Practice on Treasury Management.

## 2.17 Allocation of net interest payable

The Council is required to determine a method of splitting its interest costs between the Housing Revenue Account (HRA) and the General Fund in a way which is fair and reasonable. The method of splitting interest is unchanged from that used in 2020-2021 (the inferred net cash balance of each fund).

## 3.0 Evaluation of alternative options

- 3.1 The Treasury Management Strategy 2021-2022 outlined in this document meets the requirements of CIPFA's Code of Practice on Treasury Management and the Prudential Code for Capital Finance along with the MHCLG's Guidance on Local Government Investments and Minimum Revenue Provision. The MHCLG guidance defines a prudent investment policy as having two objectives, security which must be achieved first, followed by liquidity. Only after these have been met should yield be considered. The criteria included in this report are that which meet all the above guidance.

## 4.0 Reasons for decisions

- 4.1 To seek approval of the Treasury Management Strategy 2021-2022 in accordance with both government guidance and Codes of Practice.

## **5.0 Financial implications**

- 5.1 These are detailed within the report.

[SH/08022021/M]

## **6.0 Legal implications**

- 6.1 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.
- 6.2 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.
- 6.3 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/05022021/Q]

## **7.0 Equalities implications**

- 7.1 There are no equalities implications arising from this report.

## **8.0 All other implications**

- 8.1 The impact of Covid-19 on the capital programme is being monitored and any re-phasing required to reflect new timescales for completing projects, taking into account work starting on sites again and any social distancing measures which may be required, reduces the borrowing need in year. In addition, the Council is monitoring its cash balances to see how the economic impact of Covid-19 is affecting the cash that it receives from local taxpayers. 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.
- 8.2 As highlighted in the treasury management activity monitoring reports, 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.

- 8.3 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.

## **9.0 Schedule of background papers**

- 9.1 Cabinet, 17 February 2021 – [2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2024-2025](#)
- 9.2 Cabinet, 17 February 2021 – [Capital Programme 2020-2021 to 2024-2025 quarter three review and 2021-2022 to 2025-2026 Budget Strategy](#)

## **10.0 Appendices**

- 10.1 Appendix 1 – Treasury Management Strategy Statement 2021-2022
- 10.2 Appendix 2 – Annual Investment Strategy 2021-2022
- 10.3 Appendix 3 – Prudential and Treasury Management Indicators 2021-2022
- 10.4 Appendix 4 – Annual MRP Statement 2021-2022
- 10.5 Appendix 5 – Disclosure for Certainty Rate
- 10.6 Appendix 6 – Treasury Management Policy Statement and Treasury Management Practices February 2021

## **Treasury Management Strategy Statement 2021-2022**

### **1.0 Introduction**

- 1.1 The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice, and to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) (included as Appendix 2 of this report), which sets out the Council's policies for managing its investments and in particular for giving priority to the security and liquidity of those investments.
- 1.3 Part of the treasury management operation is to ensure that the Council's cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's approach to risk management, providing adequate liquidity initially before considering investment return.
- 1.4 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.5 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General balance.
- 1.6 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA defines treasury management 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.”

- 1.7 In 2019-2020 a new requirement for a capital strategy was introduced. The capital strategy provides a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is reported separately.
- 1.8 The capital strategy provides the following:
  - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
  - an overview of how the associated risk is managed.
  - the implications for future financial sustainability
- 1.9 The aim of the capital strategy is to ensure that all elected councillors on Full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.10 The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy shows:
  - the corporate governance arrangements for these types of activities
  - any service objectives relating to the investments
  - the expected income, costs and resulting contribution
  - the debt related to the activity and the associated interest costs
- 1.11 The recommended strategy for 2021-2022 in respect of the following aspects of the treasury management function is based upon the Director of Finance's views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Link Group.

The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council
- Prudential and Treasury Indicators
- the current treasury position
- the borrowing requirement
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers
- the Minimum Revenue Provision (MRP) strategy

**1.12 Balanced budget requirement**

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority, when calculating its budget requirement for the forthcoming financial year, to include the revenue costs that result from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in interest charges, MRP and other costs associated with borrowing to finance capital expenditure, as well as any increases in running costs from new capital projects, are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

**1.13 Training**

The CIPFA Code requires the Director of Finance to ensure that councillors with responsibility for treasury management receive adequate training in treasury management. The training needs of councillors and treasury management employees are periodically reviewed to ensure that they have the appropriate level of knowledge for their roles in respect of treasury management.

**1.14 Treasury management consultants**

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon the external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties, property funds and equity investments. The commercial type investments require specialist advisers, and the Council uses a range of consultants with relevant industry knowledge, dependant on the specific commercial aspects of the project, in relation to this activity.

**2.0 Treasury limits for 2021-2022 to 2023-2024**

- 2.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The

amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales, the Authorised Limit represents the legislative limit specified in the Act.

- 2.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council tax and Council housing rent levels is ‘acceptable’.
- 2.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of financing such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in Appendix 3 of this report.
- 2.4 The revised Treasury Management Code of Practice has removed the interest rate exposure indicator from a formal indicator to a narrative in the Treasury Management Strategy. The Council will continue to manage and monitor its interest rate exposure against the limits set previously:

Upper limit for fixed rate	100%
Upper limit for variable rate	20%

### 3.0 Current portfolio position

- 3.1 The Council’s forecast treasury portfolio position at 31 March 2021 is shown below:

	Forecast £000	Average Rate %
<b>External Debt</b>		
Fixed rate borrowing - PWLB / Local Authorities	677,513	3.6549
Fixed rate borrowing - Market	55,800	4.4700
Variable rate borrowing - Market	48,000	4.2823
Total Gross Borrowing	781,313	3.7581
Other Long Term Liabilities	82,238	-
<b>Total External Debt</b>	863,551	-
<b>Total Investments *</b>	5,000	0.1913

\*It is the policy to use cash balances to fund capital expenditure to avoid the need for borrowing, therefore, the level of cash investments is forecast to be minimal.

#### **4.0 Borrowing requirement**

- 4.1 The Council's forecast borrowing requirement is summarised below. The table shows the forecast external debt against the underlying capital borrowing need (the Capital Financing Requirement), highlighting any over or under borrowing:

External Debt	2020-2021	2021-2022	2022-2023	2023-2024
	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Borrowing at 1 April	732,947	781,313	925,114	964,392
Expected change in borrowing	48,366	143,801	39,278	19,952
Other long term liabilities at 1 April	86,515	82,238	79,626	79,928
Expected change in other long term liabilities	(4,277)	(2,612)	302	(2,968)
Forecast debt at 31 March	863,551	1,004,740	1,044,320	1,061,304
Capital Financing Requirement	959,261	1,070,391	1,085,971	1,102,955
Under / (over) borrowing	95,710	65,651	41,651	41,651
<b>External debt for commercial activities / non-financial investments</b>				
Forecast debt at 31 March	41,317	45,874	45,874	45,874
Percentage of total external debt	5%	5%	4%	4%

#### **5.0 Prospects for interest rates**

- 5.1 The Council has appointed Link Group as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. A more detailed interest rate view can be found in Appendix 2. The Link Group view of the Bank Rate is that it is unlikely to rise from the current 0.10% for a considerable period at the point of writing.

## **6.0 Borrowing strategy**

### **6.1 Borrowing rates**

The Link forecast for the PWLB new borrowing rate is as follows:

Link Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	1.60

**When undertaking any new borrowing the Director of Finance will give consideration to the following to ensure the best deal is obtained for the Council:**

1. Internal / external borrowing.
2. Temporary borrowing (less than 1 year).
3. Variable / fixed rate.
4. Short / long term borrowing.
5. PWLB / market debt.

When considering the above, the balance and spread of debt in the Council's portfolio will be taken into account along with the financial implications for the medium term financial strategy.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy has been prudent since investment returns have been low and counterparty risk is still an issue that needs to be considered, however the Director of Finance will keep this strategy under review and consider opportunities to secure higher returns on investment where the balance of risk, return, security and liquidity are considered acceptable.

### **6.2 Sensitivity of the forecast – In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. Council employees, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:**

- if it was felt that there was a significant risk of a sharp fall in borrowing rates, then borrowing will be postponed.

- if it was felt that there was a significant risk of a much sharper rise in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

### **6.3 External versus internal borrowing**

The general aim of this treasury management strategy is to maintain cash balances at a reduced level, keeping under review the level of forecast reserves and therefore anticipated cash balances and opportunities for longer term investment, whilst maintaining an appropriate level of risk; therefore keeping to a minimum the credit risk incurred by holding investments. Measures taken over the last few years have already reduced the level of credit risk and the difference between borrowing rates and investment rates has been carefully considered to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

Where investment rates are 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 debt (this is referred to as internal borrowing).

However, short term savings by avoiding new long term external borrowing will also be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be higher.

### **6.4 Policy on borrowing in advance of need**

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates, will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue costs created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow

- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- consider the impact of borrowing in advance on temporarily increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, having regard to the controls in place to minimise such risks.

## **7.0 Debt rescheduling**

- 7.1 The spread between the rates applied to new borrowing and repayment of debt has meant that PWLB to PWLB debt restructuring is now much less attractive than it was. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds in using replacement PWLB refinancing. Therefore, rescheduling of current borrowing in the Council's debt portfolio is unlikely to occur.
- 7.2 If rescheduling was done, it will be reported to the Cabinet (Resources) Panel, at the earliest meeting following its action.

## **8.0 New financial institutions as a source of borrowing**

- 8.1 Currently, the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the sources below for the following reasons:

- Local authorities (primarily shorter dated maturities out to three years or so as can still be cheaper than the Certainty Rate)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years)
- Municipal Bond Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

## **Annual Investment Strategy 2021-2022**

### **1.0 Annual Investment Strategy**

#### **1.1 Investment policy**

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, as managed by the Treasury Management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the separate Capital Strategy report.

The Council’s investment policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- the Audit Commission’s report on Icelandic investments
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the CIPFA TM Code”)
- CIPFA Treasury Management Guidance Notes 2018.

The Council’s investment priorities are:

- (a) firstly, the security of capital and
- (b) secondly, the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

The above guidance place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
2. However, ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council

- will engage with its advisors to maintain a monitor on market pricing such as ‘credit default swaps’ and overlay that information on top of the credit ratings.
3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
  4. Investment instruments identified for use in the financial year are listed under the ‘Specified’ and ‘Non-Specified’ Investments categories. Counterparty limits will be as set through the Council’s Treasury Management Practices – Schedules.
    - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year, or have less than a year left to run to maturity, if they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
    - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Councillors and officers before being authorised for use.
  5. Non-specified investments limit: the Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of total investments with a cap of £35.0 million.
  6. Lending limits, amounts and maturity, for each counterparty will be set through applying the methodology in the following section.
  7. Transaction limits are set for each type of investment.
  8. The Council will set a limit for the amount of its investments which are invested for longer than 365 days.
  9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.
  10. The Council has engaged external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
  11. All investments will be denominated in sterling.
  12. As a result of the change in accounting standards for 2020-2021 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Revenue Account. In November 2018, MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.

However, the Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

### **Changes in risk management policy from last year**

The above criteria are unchanged from last year.

#### **1.2 Creditworthiness policy**

This Council applies the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach using credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The table below details Link's recommendations of bands and durations along with the more prudent parameters that the Council will apply:

	<b>Link</b>	<b>Wolverhampton</b>
Yellow (is for UK Government debt or equivalent, money market funds and collateralised deposits where the collateral is UK Government debt)	5 years	-
Dark Pink (for Ultra-Short Dated Bond Funds with a credit score of 1.25)	5 years	-
Light Pink (for Ultra-Short Dated Bond Funds with a credit score of 1.5)	5 years	-
Purple	2 years	1 year
Blue (only applies to nationalised or semi nationalised UK Banks)	1 year	3 months
Orange	1 year	6 months
Red	6 months	3 months
Green	100 days	50 days
No Colour	Not to be used	Not to be used

This list will be reviewed on any changes to the methodology used by Link and the Council may revert back to using Link's recommended durations if or when investment balances are at higher levels and longer deposits are possible without significantly increased risk to liquidity.

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1+ and a Long Term rating of AA-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored each time the Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. A severe downgrade may prompt the Director of Finance to instruct treasury management employees to take steps to withdraw any investment considered to be at risk. The potential penalties for such an action would need to be assessed.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this bought-in service. In addition, the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

### **1.3 Creditworthiness**

Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30 June 2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. However, during quarter one and quarter two of 2020, banks made provisions for expected credit losses and the rating changes reflected these provisions. As we move into future quarters, more information will emerge on actual levels of credit losses (quarterly earnings reports are normally announced in the second half of the month following the end of the quarter). This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the

Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6 August 2020 revised down their expected credit losses for the UK banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the Monetary Policy Committee’s (MPC’s) central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.

All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

#### 1.4 CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information.

#### 1.5 Country limits

Due care will be taken to consider the exposure of the Council’s total investment portfolio to non-specified investments, countries, groups and sectors.

- **Non-specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio with a cap of £35.0 million.
- **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report is shown below. This list will be amended by employees should ratings change in accordance with this policy.
- **Other limits.** In addition:
  - No more than 20% will be placed with any non-UK country at any time;
  - Limits in place above will apply to a group of companies;
  - Sector limits will be monitored regularly for appropriateness.

Approved countries for investments

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- Canada
- Finland

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

The above ratings are those used by Fitch. During 2020-2021 Fitch and Moody's both downgraded the UK's sovereign rating from AA to AA-, or equivalent, due to the unprecedented impact of Covid-19 pandemic on the economy. However, as Standard & Poors rating is still the equivalent of AA the Council has kept this as the sovereign limit. The Director of Finance has delegated authority to lower the minimum sovereign rating in the Annual Investment Strategy in the event that this position changes.

## 1.6 Specified investments

All such investments will be sterling denominated, with maturities up to a maximum of one year, meeting the minimum 'high' rating criteria where applicable.

Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under 12 months.

Minimum 'High' Credit Criteria	
Debt Management Agency Deposit Facility	Government backed
Money Market Funds CNAV > LVNAV	AAAmmf / Aaa-mf
Term deposits - UK Government	Government backed
Term deposits - Local Authorities	High Security
Term deposits - Banks & Building Societies	Short-term F1+, Long-term AA-

## 1.7 Non-specified investments

These are any investments which do not meet the specified investment criteria. A maximum of 50% of total investments with a cap of £35.0 million can be held in aggregate in non-specified investments.

	Minimum Credit Criteria	Max Limit	Max Maturity Period
Term deposits - UK Government (with maturities in excess of 1 year)	Government Backed	£10.0 million	5 years
Term deposits - Local Authorities (with maturities in excess of 1 year)	High Security	£10.0 million per LA	5 years
Term deposits - Banks & Building Societies (with maturities in excess of 1 year)	Short-term F1+ Long-term AA-	£10.0 million per Bank	5 years
Property funds	Internal and external due diligence	£20.0 million per single fund	5 years

Property funds – the use of these instruments can be deemed capital expenditure, and as such will be an application of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

## 1.8 Accounting treatment of investments

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue implications, which may arise from these differences, the

accounting implications of new transactions will be thoroughly reviewed before they are undertaken.

## 1.9 Investment strategy

**In-house funds:** All of the Council's funds are managed in-house. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. Whilst most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that the Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable for longer periods.

**Interest rate outlook:** Bank Rate is forecast to unlikely rise from the current 0.10% for a considerable time.

The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to Covid-19 and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by the deal the UK agreed as part of Brexit.

There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, and so PWLB rates, in the UK.

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile, within the risk parameters set by this Council.

For 2021-2022 the Council will budget for an investment return of 0.05% on investments placed during the financial year. In addition, an upper limit for principal sums invested for longer than 365 days of £35.0 million is asked to be approved as can be seen in Appendix 3 Prudential and Treasury Indicators 2021-2022.

For its cash flow generated balances, the Council will seek to use its money market funds, business reserve accounts and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest, whilst maintaining liquidity.

**Negative investment rates:** While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6-12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided grants to local authorities to help deal with the Covid-19 crisis; this has caused some local authorities to have sudden increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surplus of money around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

#### **1.10 End of year investment report**

At the end of the financial year, a report will be submitted to the Cabinet and full Council on the Council's investment activity as part of its Annual Treasury Report.

#### **1.11 Combined Authority**

The Council will be prepared to lend to the Combined Authority. Such lending may be as part of arrangements agreed with the Combined Authority and other constituent authorities.

#### **1.12 Council Owned Companies**

The Council will be prepared to lend or invest in companies which are wholly or partly owned by the Council. In doing this, consideration will be given to the benefits and risks to the Council.

**2.0 Interest rate forecasts**

- 2.1 The table below has been provided by Link Asset Services and shows a more detailed interest rate view along with the view of Capital Economics (an independent forecasting consultancy). PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of 1 November 2012.

Link Group Interest Rate View		9.11.20 (The Capital Economics forecasts were done 11.11.20)												
		Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings		0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB		0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB		1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB		1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB		1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
<b>Bank Rate</b>														
Link		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Capital Economics		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
<b>5yr PWLB Rate</b>														
Link		0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
Capital Economics		0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-	-
<b>10yr PWLB Rate</b>														
Link		1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	1.30
Capital Economics		1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-	-
<b>25yr PWLB Rate</b>														
Link		1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.80	1.80
Capital Economics		1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-	-
<b>50yr PWLB Rate</b>														
Link		1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.60	1.60	1.60	1.60	1.60
Capital Economics		1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-	-

**City of Wolverhampton Council**  
**Specified Investments Lending List**

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Bank Nederlandse 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
<b>Nationalised Banks</b>			
<b>Royal Bank of Scotland Group plc</b>			
National Westminster Bank plc	UK (AA-)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA-)	10,000	3 mths
<b>AAA Rated and Government Backed Securities</b>			
Debt Management Office	UK (AA-)	20,000	30 mths
<b>Money Market Funds</b>			
Invesco STIC Account	Fitch AAammf	20,000	Instant Access
Aberdeen Liquidity Fund (LUX) Class 2	Fitch AAammf	20,000	Instant Access
Federated Short-Term Sterling Prime Fund	Fitch AAammf	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.

**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 three capital budget monitoring 2020-2021 report.

	As at 17 February 2021			
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
General *	96,395	173,116	32,264	13,003
HRA	49,386	95,287	86,260	84,280
	145,781	268,403	118,524	97,283
* 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.	17,710	23,057	10,000	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.

	As at 17 February 2021			
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
General *	692,048	754,006	728,584	706,460
HRA	267,213	316,385	357,387	396,495
Total capital financing requirement	959,261	1,070,391	1,085,971	1,102,955
* 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.	20,138	23,789	15,744	14,816
<b>Movement in capital financing requirement represented by:</b>				
New borrowing for capital expenditure	65,412	145,604	60,572	60,336
Less minimum revenue provision/voluntary minimum revenue provision	(32,323)	(34,474)	(44,992)	(43,352)
Movement in capital financing requirement	33,089	111,130	15,580	16,984

**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 17 February 2021			
	2020-2021 Limit £000	2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000
Borrowing	1,049,311	1,086,578	1,121,741	1,182,515
Other Long Term Liabilities	87,249	79,626	81,928	78,960
Total Authorised Limit	1,136,560	1,166,204	1,203,669	1,261,475
Forecast External Debt as at 17 February 2021	863,551	1,004,740	1,044,320	1,061,304
Variance (Under) / Over Authorised limit	(273,009)	(161,464)	(159,349)	(200,171)
<b>Authorised limit for commercial activities / non-financial investments included in the above figures</b>				
Total Authorised Limit	45,893	47,014	45,874	45,874
Forecast External Debt as at 17 February 2021	41,317	45,874	45,874	45,874
Variance (Under) / Over Authorised limit	(4,576)	(1,140)	-	-

**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 17 February 2021			
	2020-2021 Limit £000	2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000
Borrowing	1,018,328	1,050,255	1,107,444	1,167,501
Other Long Term Liabilities	85,247	79,626	79,928	76,960
Total Operational Boundary Limit	1,103,575	1,129,881	1,187,372	1,244,461
Forecast External Debt as at 17 February 2021	863,551	1,004,740	1,044,320	1,061,304
Variance (Under) / Over Operational Boundary Limit	(240,024)	(125,141)	(143,052)	(183,157)
<b>Operational boundary for commercial activities / non-financial investments included in the above figures</b>				
Total Operational Boundary Limit	43,867	45,874	45,874	45,874
Forecast External Debt as at 17 February 2021	41,317	45,874	45,874	45,874
Variance (Under) / Over Operational Boundary Limit	(2,550)	-	-	-

**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".

	As at 17 February 2021			
	2020-2021 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,085,972	1,102,955	1,102,955	1,102,955
Gross Debt	863,551	1,004,740	1,044,320	1,061,304
Capital Financing Requirement Greater than Gross Debt	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 the General and HRA.

	As at 17 February 2021			
	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
General *	13.9%	14.5%	18.6%	16.5%
HRA	29.4%	29.3%	29.5%	30.1%
* 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.	1.0%	1.0%	1.0%	0.9%

**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.

	As at 17 February 2021			
	2020-2021	2021-2022	2022-2023	2023-2024
	Limit £000	Limit £000	Limit £000	Limit £000
Upper limit for more than 365 days	35,000	35,000	35,000	35,000
Actual and Forecast Invested at 17 February 2021	-	-	-	-
Variance (Under) / Over Limit	(35,000)	(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.

	As at 17 February 2021		
	Upper Limit	Lower Limit	March 2021 Forecast
Under 12 months	25%	0%	-
12 months and within 24 months	25%	0%	1.31%
24 months and within 5 years	40%	0%	3.25%
5 years and within 10 years	50%	0%	9.61%
10 years and within 20 years	50%	0%	14.21%
20 years and within 30 years	50%	0%	24.79%
30 years and within 40 years	50%	0%	25.49%
40 years and within 50 years	50%	0%	21.34%
50 years and within 60 years	50%	0%	-

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## **Annual MRP Statement 2021-2022**

### **Minimum Revenue Provision – an introduction**

#### **1. What is Minimum Revenue Provision?**

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. In accordance with proper practice, the financing of such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual charge known as Minimum Revenue Provision (MRP), which is determined by the Council under guidance.

#### **2. Statutory duty**

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended by Statutory Instrument 2008 no. 414 s4) lay down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

#### **3. Government guidance**

Along with the above duty, the Government issued guidance which came into force on 31 March 2008 which requires that a Statement on the Council’s policy for its annual MRP should be submitted to the Full Council for approval before the start of the financial year to which the provision will relate. On 2 February 2018 the Ministry of Housing, Communities & Local Government (MHCLG) issued its new Statutory Guidance on Minimum Revenue Provision which is effective from 1 April 2019, except for the elements ‘Changing Methods for Calculating MRP’ which applied from 1 April 2018. This new guidance supersedes the previous versions. The main changes of the guidance are the introduction of a maximum useful economic life which should normally not exceed 50 years, MRP to be charged for all borrowings and defining what can be classed as an ‘overpayment’ thereby removing the option to retrospectively change the method of calculating MRP in prior years.

The Council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. Although it is up to each Council to determine for itself how to calculate its MRP, the guidance suggests four methodologies, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that:

1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

#### **4. Timing**

This statement shall take effect from 1 April 2020, unless an alternative date is stated below, and shall take precedence over any statements previously approved.

#### **5. Calculation**

MRP shall be calculated by adding together the amount calculated using the method as stated below.

##### **Method**

To be used for all capital expenditure taking into account only capital expenditure and financing decisions, and the classification of fixed assets, reflected in the Council's accounts for the preceding year.

With the variations set out below, MRP will be calculated, on an individual fixed asset basis (unless they are land or community assets (no depreciation), where it is capitalised under statute/direction (equal pay, REFCUS etc.) or when one grouped "asset" is created for MRP calculation purposes for each category for individual years), in accordance with the annuity method whereby MRP for each year will be the amount presumed to be the principal element of the equal amounts that would be payable each year in respect of a loan at the specified rate of interest that would reduce the outstanding principal amount to zero at the end of the estimated useful life.

The specified rate of interest will be the average interest rate of the Council's debt as at the end of the year preceding the first year in which the annuity rate is to be applied. Where the interest rate on debt is variable the rate to be used in calculating the average shall be the interest rate on the debt at 31 March of the year for which the average is being calculated.

MRP will thus be calculated in accordance with the following formula:

$$\text{PPMT (A, B, C, D - E) + F}$$

Where

PPMT is the PPMT financial function in Microsoft Excel 2010

A is the specified interest rate

B is the number of years (including the current year) for which MRP has been charged on an annuity basis

C is the useful economic life (UEL) of the asset as at the start of the year for which MRP is first charged on an annuity basis. C shall be equal to the useful life of the fixed asset in question, as estimated by the Council but in accordance with the new maximum UEL in the Guidance. C shall not be varied for changes in the useful life of the asset unless the Council considers that special circumstances apply that would mean that a change would result in MRP being more reasonably calculated on a prudent basis; for example the useful life of a particular asset (as assessed for depreciation purposes) could change so dramatically that continued use of the option would no longer be supportable as prudent. For example, a property could be sold only a short time into its originally estimated useful life.

D is the total need to borrow for capital purposes (resulting from capital expenditure).

E is the aggregate value of any anticipated future capital receipts that are an integral part of the capital scheme in question. E shall be reviewed each year on performing the calculation, and amended if necessary.

F is an amount determined by the Section 151 Officer. The cumulative total of F, taken across all past and current years, shall never be less than zero. The choice to make an overpayment of MRP requires a separate disclosure in the MRP Statement presented to full Council detailing the in year and cumulative amount. Subsequently, any offsetting of an overpayment also requires disclosure in the MRP Statement along with any remaining cumulative amount to full Council.

**The Method shall be varied in the following circumstances:**

1. Where an asset is under construction, the method above will commence once the asset becomes operational.
2. For historical Magistrates' Courts Loan Charges, 4% charge will be made.
3. With regard to PFI and leases the MRP will be charged in accordance with the financial model imbedded in the legal agreements.

4. For capitalised expenditure, the variable "C" should be given the maximum values as set out below in accordance with the Guidance. This is based on the principle that where the capitalised expenditure can be indirectly linked to an asset the estimated UEL should be used, however, where this is not the case a default of 25 years will apply.

Expenditure type	Maximum value of "C" in initial year
Expenditure capitalised by virtue of a direction under s.16(2)(b)	"C" equals 20 years.
<b>Regulation 25(1)(a)</b> Expenditure on computer programmes	"C" equals the shorter of the UEL of the hardware or the length of the software license.
<b>Regulation 25(1)(b)</b> Loans and grants towards capital expenditure by third parties	"C" equals the UEL of the assets for in relation to which the third party expenditure is incurred.
<b>Regulation 25(1)(c)</b> Repayment of grants and loans for capital expenditure	"C" equals 25 years or the period of the loan if longer.
<b>Regulation 25(1)(d)</b> Acquisition of share capital	"C" equals 20 years.
<b>Regulation 25(1)(e)</b> Expenditure on works to assets not owned by the authority	"C" equals UEL of the assets.
<b>Regulation 25(1)(ea)</b> Expenditure on assets for use by others.	"C" equals UEL of the assets.
<b>Regulation 25(1)(f)</b> Payment of levy on large scale voluntary transfers (LSVT) of dwellings	"C" equals 25 years.

In the event that the Council has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50 years, it will use the life suggested by the professional advisor.

5. For capital expenditure on acquisition of share capital, where the equity is for a fixed term the following will apply instead of the table in paragraph 4:

Terms of equity	Annual assessment of security required	Amount of MRP to be charged
Equity repayments annually or more frequently	No.	Nil, the capital receipt equity repayments will be used to reduce the capital financing requirement (CFR).
Equity with no repayment in a financial year	Yes, secure.	Nil, the future capital receipt equity repayment will be used to reduce the CFR when received.
	Yes, risk of non-repayment.	If there is a reasonable risk, MRP will commence on the amount at risk in accordance with the capitalised expenditure table above.

**Disclosure for Certainty Rate**

**Certainty Rate**

This table details the information that is required to enable the Council to submit a return for 2021-2022

	As at 17 February 2021			
	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
	£000	£000	£000	£000
<b>Net Borrowing Requirement:</b>				
Borrowing to finance planned capital expenditure	65,306	145,292	57,189	60,057
Existing maturity loans to be replaced during the year	23,500	30,059	88,199	57,095
Less:				
Minimum Revenue Provision for debt repayment	(17,101)	(18,153)	(25,546)	(21,987)
Voluntary debt repayment	(10,839)	(13,397)	(16,365)	(18,118)
	(27,940)	(31,550)	(41,911)	(40,105)
Loans replaced less debt repayment	(4,440)	(1,491)	46,288	16,990
<b>Net Advance Requirement</b>	<b>60,866</b>	<b>143,801</b>	<b>103,477</b>	<b>77,047</b>

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## Treasury Management Policy Statement and Treasury Management Practices February 2021

### 1.0 Introduction

- 1.1 In December 2017 CIPFA issued a revised Code of Practice on Treasury Management following developments in the marketplace and the introduction of the Localism Act 2011. It is a requirement of the Code that the Council should formally adopt the Code.
- 1.2 The Code seeks to satisfy nine main purposes:
  1. To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities and thereby to add to their credibility in the public eye.
  2. To emphasise the overriding importance of effective risk management as the foundation for treasury management in all public service bodies.
  3. To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
  4. To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
  5. To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, "to maintain and develop the professional competence of both themselves and those they supervise".
  6. To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
  7. To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
  8. To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
  9. To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.
- 1.3 The approved activities cover borrowing arrangements for funding capital expenditure, debt repayment and rescheduling, managing cash flow and investment of surplus balances and monitoring the underlying risks associated with the Authority's activities.
- 1.4 Arrangements made for the control and operation of bank accounts operated by schools come within this definition but day-to-day management of funds is the responsibility of the

Head Teachers and the Governors under arrangements for the local management of schools. Banking arrangements for schools with their own cheque accounts are closely monitored by the Director of Finance.

- 1.5 Management of the West Midlands Pension Fund is not included as part of Wolverhampton Council's treasury management activities but similar arrangements have been adopted by the Pension Fund Investments Division.
- 1.6 Subject to the above, the Council's cash is aggregated for the purposes of treasury management and is under the control of the Director of Finance in accordance with Section 151 of the Local Government Act 1972. The executive control and administration of financial policy is under the direction of the Cabinet (Resources) Panel.
- 1.7 All external investments of surplus internal balances are restricted to authorised investments in accordance with the Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1996. The Director of Finance is responsible for making any investments, subject to the guidelines agreed by the Council or subsequently amended by the Cabinet (Resources) Panel.

## **2.0 Adoption of the code**

- 2.1 The revised 2017 CIPFA Code identifies three key principles:

### **Key Principle 1**

The Council puts in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.

### **Key Principle 2**

That these policies and practices make clear that the effective management and control of risk are prime objectives of its treasury management activities and the responsibility for these lie clearly within the Council. The Council's appetite for risk should form part of its annual strategy including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing treasury management funds.

### **Key Principle 3**

To acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools to employ in support of the Council's business and service objectives; and that within the context of effective risk management, its treasury management policies and practices reflect this.

- 2.2 In order to achieve the above, the Council will adopt the following four clauses:

1. The Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

2. Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.
3. Full Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet (Resources) Panel, and for the execution and administration of treasury management decisions to the Director of Finance, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council nominates Our Council Scrutiny Panel to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### **3.0 Treasury Management Policy Statement**

- 3.1 The Council's treasury management policy statement defines the policies and objectives of its treasury management activities, as follows:

1. Treasury management activities are defined as:

"The management of the Council'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. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

## **4.0 Treasury Management Practices (TMPs) – Main principles**

4.1 The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities. The main principles are below with more detailed explanations in the attached schedules; these follow the CIPFA Code and have been suitably amended where necessary to reflect the Council's particular needs and circumstances.

### **4.2 TMP 1 – Risk management**

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

The Director of Finance will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in Schedule 1 to this document.

#### **[1] Credit and counterparty risk management**

The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its treasury management investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

#### **[2] Liquidity risk management**

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to which are necessary for the achievement of its business/service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

### **[3] Interest rate risk management**

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

### **[4] Exchange rate risk management**

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### **[5] Inflation risk management**

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

### **[6] Refinancing risk management**

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

### **[7] Legal and regulatory risk management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in

respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

#### **[8] Fraud, error and corruption, and contingency management**

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

#### **[9] Price risk management**

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

### **4.3 TMP 2 – Performance measurement**

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in Schedule 2 to this document.

### **4.4 TMP 3 – Decision-making and analysis**

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reach those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in Schedule 3 to this document.

**4.5 TMP 4 – Approved instruments, methods and techniques**

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in Schedule 4 to this document, and within the limits and parameters defined in TMP1 Risk management.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The Council has reviewed its classification with financial institutions under MIFID II and has set out in Schedule 4 to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

**4.6 TMP 5 – Organisation, clarity and segregation of responsibilities, and dealing arrangements**

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, the reduction of the risk of fraud or error, and the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Director of Finance will ensure that the reasons are properly reported in accordance with TMP 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Director of Finance will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The Director of Finance will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in Schedule 5 to this document.

The Director of Finance will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in Schedule 5 to this document.

The delegations to the Director of Finance in respect of treasury management are set out in Schedule 5 to this document. The Director of Finance will fulfil all such responsibilities

in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

#### **4.7 TMP 6 – Reporting requirements and management information arrangements**

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

Cabinet (Resources) Panel will receive regular monitoring reports on treasury management activities and risks including the treasury management indicators as detailed in their sector-specific guidance notes.

Our Council Scrutiny Panel will have responsibility for the scrutiny of treasury management policies and practices.

The present arrangements and the form of these reports are detailed in Schedule 6 to this document.

#### **4.8 TMP 7 – Budgeting, accounting and audit arrangements**

The Director of Finance will prepare, and Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP 1 Risk management, TMP 2 Performance measurement, and TMP 4 Approved instruments, methods and techniques. The Director of Finance will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

**4.9 TMP 8 – Cash and cash flow management**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Finance, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Finance will ensure that these are adequate for the purposes of monitoring compliance with TMP1[2] Liquidity risk management. The present arrangements for preparing cash flow projections, and their form, are set out in Schedule 8 of this document.

**4.10 TMP 9 – Money laundering**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in Schedule 9 to this document.

**4.11 TMP 10 – Training and qualifications**

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Finance will recommend and implement the necessary arrangements.

The Director of Finance will ensure that councillors tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in Schedule 10 to this document.

**4.12 TMP 11 – Use of external service providers**

The Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Finance, and details of the current arrangements are set out in Schedule 11 to this document.

**4.13 TMP 12 – Corporate governance**

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in Schedule 12 to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Director of Finance will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

## Treasury management schedules

### Schedule 1 : TMP 1 – Risk management

#### 1.1 Creditworthiness policy

The Council will use credit criteria in order to select creditworthy counterparties for placing investments with.

This Council applies the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach using credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The table below details Link's recommendations of bands and durations along with the more prudent parameters that the Council will apply:

	Link	Wolverhampton
Yellow (is for UK Government debt or equivalent, money market funds and collateralised deposits where the collateral is UK Government debt)	5 years	-
Dark Pink (for Ultra-Short Dated Bond Funds with a credit score of 1.25)	5 years	-
Light Pink (for Ultra-Short Dated Bond Funds with a credit score of 1.5)	5 years	-
Purple	2 years	1 year
Blue (only applies to nationalised or semi nationalised UK Banks)	1 year	3 months
Orange	1 year	6 months
Red	6 months	3 months
Green	100 days	50 days
No Colour	Not to be used	Not to be used

This list will be reviewed on any changes to the methodology used by Link and the Council may revert back to using Link's recommended durations if or when investment balances are at higher levels and longer deposits are possible without significantly increased risk to liquidity.

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1+ and a Long Term rating AA-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored each time the Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. A severe downgrade may prompt the Director of Finance to instruct treasury management employees to take steps to withdraw any investment considered to be at risk. The potential penalties for such an action would need to be assessed.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx European Financials benchmark and other market data on a daily basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this bought-in service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

### **Country limits**

The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide).

### **Approved counterparties**

The complete list of approved counterparties is included in the Treasury Management Strategy and in each quarterly monitoring report. The Finance Manager will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection.

### **Investment Strategy**

The Council will have regard to the MHCLG's Guidance on Local Government Investments, the Audit Commission's report on Icelandic investments and the 2017 revised CIPFA Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes ("CIPFA TM Code").

This Investment Strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the heading Specified investments and Non-specified investments. These are listed below:

**Specified investments** - all investments listed below must be sterling-denominated.

Investment	Minimum 'High' Credit Criteria	Maximum Period
Debt Management Agency Deposit Facility	Government backed	6 months
Money Market Funds CNAV > LVNAV	AAAmmf / Aaa-mf	Period of investment may not be determined at outset but will be subject to cash flow and liquidity
Term deposits - UK Government	Government backed	12 months
Term deposits - Local Authorities	High Security	12 months
Term deposits - Banks & Building Societies	Short-term F1+, Long-term AA-	12 months

**Non-specified investments** – a maximum of 50% of total investments with a cap of £35.0 million will be held in aggregate

	Minimum Credit Criteria	Max Limit	Max Maturity Period
Term deposits - UK Government (with maturities in excess of 1 year)	Government Backed	£10.0 million	5 years
Term deposits - Local Authorities (with maturities in excess of 1 year)	High Security although Local Authorities are not credit rated	£10.0 million per LA	5 years
Term deposits - Banks & Building Societies (with maturities in excess of 1 year)	Short-term F1+ Long-term AA-	£10.0 million per Bank	5 years
Property funds	Internal and external due diligence	£20.0 million per single fund	5 years

Property funds – the use of these instruments can be deemed capital expenditure, and as such will be an application of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

### **Accounting treatment of investments**

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue implications, which may arise from these differences, the accounting implications of new transactions will be thoroughly reviewed before they are undertaken.

## 1.2 Liquidity

### **Cash Balances**

Cash balances are derived from reserves, surpluses, provisions and any capital receipts held pending future use. These are invested externally with approved institutions.

### **Investment of surplus funds**

After the aggregation of all internal balances, surplus funds will be invested externally to earn interest and returned to the Council in order to meet projected future shortfalls in cash flow.

The Council's aggregate daily internal balances can vary quite markedly from day-to-day. Active cash flow management is essential to ensure that sufficient cash balances are available to meet commitments on pay days and creditor and other payment days.

### **Temporary loans (maximum of 364 days)**

Temporary loans can be obtained within the borrowing limits to provide short term finance or to match any cash flow shortfall pending receipt of other revenues or longer term loans. In the current low interest rate climate, they may be used to obtain short term borrowing at exceptionally low interest rates.

### **Banking facilities and limits**

An overdraft facility is provided on a net balance and on the aggregate of the core main account balances.

As some of the accounts may be in debit whilst others may be in credit, the net balance of each account will be maintained within the net limit. The aggregate of all balances will be maintained within the gross limit.

Net Limit:	£500,000
Gross limit:	£9,000,000

Core main bank accounts:

- WCC Current Account
- WCC Automated Income Account
- WCC Payments Account
- WCC Local Taxes Account

Overdraft pricing is based on base rate + 1% with an annual fee of £2,500.

There is an additional group of Imprest bank accounts whose balances are pooled for interest purposes, these do not have an authorised overdraft facility.

Gross limit:	£1,000,000
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If an individual account does go overdrawn, the interest charged is base rate + 3%.

Bankers' Automated Clearing Services (BACS) - the following service credit limits are in place:

993695	Payroll	£25,000,000
972860	Payments	£20,000,000
971926	Council Tax	£1,250,000

920046	NNDR	£2,500,000
973636	Housing Benefit	£4,000,000
973531	Electoral	£150,000

Clearing House Automated Payments System (CHAPS) - CHAPS are able to be made when insufficient funds are held on the bank balance.

The bank will make payment in anticipation of receiving covering funds by the end of the business day. This risk is called the intraday limit which is set at £40,000,000.

The bank reserves the right to refuse any payment in excess of this limit.

The bank may review the risk it is willing to take on this limit with the Council at its discretion.

These transactions are completed using online banking and are done in accordance with the Council's procedures.

### **Policy in terms of borrowing in advance of need**

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates, and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue costs created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- consider the impact of borrowing in advance on temporarily increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, having regard to the controls in place to minimise such risks.

### **1.3 Interest rate**

#### **Maximum proportions of variable rate debt/interest**

The Council will continue to manage and monitor its upper limits on variable interest rate exposure against the limit previously set of:

Upper limit for variable rate                    20%

**Maximum proportions of fixed rate debt/interest**

The Council will continue to manage and monitor its upper limits on fixed interest rate exposure against the limit previously set of:

Upper limit for fixed rate	100%
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**Policies concerning the use of financial derivatives for interest rate risk management**

Financial derivatives are not an approved instrument and will therefore not be used.

**1.4 Exchange rate**

**Details of approved exchange rate exposure limits for cash investments/debt**

It is Council policy to undertake transactions in pounds sterling only and therefore, the exposure to fluctuations in exchange rates is limited to grants or payments from a third party that may be received in a foreign currency. Accordingly, there are no approved exchange rate exposure limits.

**Approved criteria for managing changes in exchange rate levels**

In respect of any sums received in a foreign currency, steps will be taken to convert to sterling as soon as practicable to minimise the risk. In respect of third party payments, the third party carries this risk.

**Policies concerning the use of financial derivatives for exchange rate risk management**

Financial derivatives are not an approved instrument and will therefore not be used.

**1.5 Refinancing**

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk
- to reduce the average interest rate
- to amend the maturity profile and/or the balance of volatility of the debt portfolio

Rescheduling will be reported to the Cabinet (Resources) Panel at the meeting immediately following its action.

In considering the affordability of its capital plans, the Council will consider all the resources currently available estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax and housing rent levels. It will also take into account affordability in the longer term beyond this three year period.

The Council will always keep revenue implications of capital financing under review to ensure they continue to be affordable and sustainable in the context of the Medium Term Financial Strategy.

The Council will use the definition provided in the Prudential Code for borrowing, capital expenditure, capital financing requirement, debt, financing costs, investments, net borrowing, net revenue stream and other long term liabilities.

## **1.6 Fraud, error and corruption, and contingency management**

### **Details of systems and procedures to be followed including internet services**

In all the services the Council undertakes, it is committed to acting at all times with integrity and in an open and honest manner.

The Council will not accept any level of fraud or corruption and will vigorously investigate all allegations of fraud or corruption.

The Council is committed to having in place procedures and systems so as to limit as far as possible the opportunities for fraudulent acts or enable their early detection, together with procedures to ensure such acts are promptly and thoroughly investigated. The Council will:

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

The practices and procedures outlined in the Treasury Management Practices are designed to fully document all transactions and to clearly demonstrate that the highest standards have been adhered to.

## **Emergency and contingency planning arrangements**

The Council has a Business Continuity Plan for performing the cash flow as part of its service resilience. In the event of an emergency or other event which prevent this plan being used, the bank account structure allows any balances at the end of the working day be transferred to a Business Reserve account to accrue interest.

### **Insurance cover details**

It is normal practice in the private and public sector for employing bodies to indemnify their employees. Employees are currently covered by a Finance and General Purposes Committee Resolution of 13 April 1987:

"That the Council shall indemnify in perpetuity all employees and former employees of the Council against all liability, professional or otherwise for negligence or negligent omission or breach of contractual or statutory duty arising out of the employee's employment with the Council and that such indemnity shall extend to any such liability arising out of the employee's engagement of duties undertaken by the Council on behalf of any other authority or body.

Provided that such indemnity shall not extend to any liability arising as a result of fraud, dishonesty or other criminal activity or of wilful misconduct, gross negligence or gross dereliction of duty on the part of the employee".

The indemnity will not apply if any employee, without the written authority of the Authority, admits liability or negotiates or attempts to negotiate a settlement of any claim falling within the scope of this Resolution.

The indemnity does not extend to loss or damage directly or indirectly caused by or arising from:

- Fraud, dishonesty or any other criminal act on the part of the employee;
- Actions outside his/her normal duties;
- Wilful misconduct, gross negligence or gross dereliction of duty, including liability in respect of surcharges made by the External Auditor.

Insurance cover for employees is as follows:

- Public and employers' liability
- Officers' indemnity (financial loss to third parties)
- Libel and slander
- Fidelity guarantee and special contingency for cheques
- Cash in transit
- Personal accident (assault)
- Travel cover on request for official journeys outside the U.K.

**1.7 Market value of investments**

**Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDS, etc.)**

In the event that opportunities for making such investments appear to the Director of Finance to be in the Council's financial interests, a report will be submitted to the Cabinet (Resources) Panel setting out the costs, benefits and potential risks.

No such investments will proceed without prior approval of such a report by the Cabinet (Resources) Panel.

## Schedule 2 : TMP 2 – Performance measurement

### 2.1 Evaluation and review of treasury management decisions

The Council has a number of approaches to evaluating treasury management decisions:

- the treasury management team will carry out ongoing reviews of its activities
- reviews will be undertaken with its treasury management consultants
- annual review after the end of the year is reported to full council
- quarterly reports to Cabinet (Resources) Panel
- comparative reviews with other local authorities
- strategic, scrutiny and efficiency value for money reviews

#### Ongoing periodic reviews during the financial year

The Director of Finance regularly reviews the actual activity against the Treasury Management Strategy Statement and cash flow forecasts. This includes monitoring debt including average rate, maturity profile and the Council's borrowing strategy; and investments including average rate, maturity profile and changes to the above from the previous review and against the Treasury Management Strategy (Annual Investment Strategy). The Council's credit rating methodology and current counterparty list is also reviewed regularly.

#### Reviews with the Council's treasury management consultants

The treasury management team holds reviews with the Council's treasury management consultants to review the performance of its investments and debt portfolios. The Council's borrowing strategy and counterparty risk strategy are also reviewed at these meetings, which are held periodically, usually to coincide with a specific need (e.g. the imminent need to borrow, or following a significant change in the market/economy). At least one review meeting is held during each financial year.

#### Annual review after the end of the financial year

An Annual Treasury Report is submitted to the Council each year after the end of the financial year which reviews the performance of the debt/investment portfolios. This report covers the following:

- total debt and investments at the beginning and close of the financial year and average interest rates
- borrowing strategy for the year compared to actual strategy
- investment strategy for the year compared to actual strategy
- explanations for variance between original strategies and actual
- debt rescheduling done in the year
- actual borrowing and investment rates available through the year
- comparison of return on investments to the investment benchmark
- compliance with Prudential and Treasury Indicators any other relevant information

## **Comparative reviews**

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios, (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data will be sourced from relevant professional bodies e.g. CIPFA.

## **2.2 Benchmarks and calculation methodology**

### **Debt management**

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

### **Investment**

Where applicable, the performance of investment earnings will be measured against the following benchmarks:

Bank of England Base Lending Rate; 7 day LIBID; 1 month LIBID; 3 month LIBID

## **2.3 Policy concerning methods for testing value for money in treasury management**

### **Frequency and processes of tendering**

These will be determined in accordance with the Council's Constitution.

### **Banking services**

Banking services will be re-tendered every five years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends.

### **Money-brokering services**

Money market brokers are used for placing surplus internal funds with approved financial institutions on a short term basis as part of the Council's cash flow management. Surplus internal funds are invested in the money markets in accordance with the guidelines set out in Section 1.1. Money market brokers are also used to assist the Council in meeting any temporary borrowing requirements. The current panel of brokers used by the Council are as follows:

- ICAP Europe Limited
- Martin Brokers (UK) plc
- Tradition UK Limited
- Tullett Prebon (Europe) Limited

**Consultants'/advisers' services**

The Council has appointed Link Group as its professional treasury management advisers.

**Policy on external managers (other than relating to pension funds)**

The Council's current policy is not to appoint external investment fund managers. The reasons for this are:

- the estimated level of surplus funds likely to be available over the medium term can be adequately managed by the Director of Finance;
- In light of this appointment of external fund managers would not be cost effective.

## Schedule 3 : TMP 3 – Decision-making and analysis

### 3.1 Funding, borrowing, lending and new instruments/techniques

#### Records to be kept

The Director of Finance shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowings and investments of money by the Council. All records and documents shall be available for inspection by internal audit and the Council's external auditors. All borrowings and investments of money under the Council's control shall be made in the name of the Council.

#### Processes to be pursued

The Chief Accountant shall document for the approval of the Director of Finance the systems, procedures and processes which deliver the approved Treasury Management Policies and Practices. The documentation will be kept up-to-date. The aim will be to provide a treasury management systems document which has day to day relevance and within which all treasury management staff are aware of their duties and responsibilities.

#### Issues to be addressed

In respect of every decision made, the Council will:

- above all be clear about the nature and extent of the risks to which the organisation may become exposed;
- be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained;
- be content that the documentation is adequate both to deliver the organisation's objectives and protect the organisation's interests, and to deliver good housekeeping;
- ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies, and that limits have not been exceeded;
- be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

In respect of borrowing and other funding decisions, the Council will:

- evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- consider the alternative interest rate options available, the most appropriate periods to fund and repayment profiles to use, consider the on-going revenue costs, and the implications for the Council's future plans and budgets.

In respect of investment decisions, the Council will:

- consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

**Schedule 4 : TMP 4 – Approved instruments, methods and techniques**

**4.1 Approved activities of the treasury management operation**

- Borrowing
- Lending
- debt repayment and rescheduling
- consideration, approval and use of new financial instruments and treasury management techniques
- managing cash flow
- banking activities
- leasing
- the use of external fund managers (other than in respect of the Pension Fund)
- managing the underlying risk associated with the Council's capital finance and investment activities

**4.2 Approved instruments for investments**

In accordance with The Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1996, the instruments approved for investment and commonly used by local councils are:

- Gilts
- Treasury Bills
- Deposits with banks, building societies or local organisations (and certain other bodies) for up to 364 days
- Certificates of deposits with banks or building societies for up to 364 days
- Euro-Sterling issues by certain Supra-national bodies listed on the London and Dublin Stock Exchanges
- Triple A rated money market funds
- Debt Management Account (run by DMO/PWLB)

**4.3 Approved techniques**

The following are approved techniques:

- Forward dealing up to 5 years
- A limit of £35.0 million for deposits over 1 year and up to 5 years.

The following may be used by organisations which are not local authorities:

- Swaps
- Caps
- Collars
- Options

The Council will not use any of the above techniques.

#### **4.4 Approved methods and sources of raising capital finance**

Finance will only be raised in accordance with statute, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

On balance sheet

- PWLB
- Municipal bond agency
- Local authorities
- Banks
- Pension funds
- Insurance companies
- EIB
- Finance Leases
- Market (long term)
- Market (temporary)
- Market (LOBOs)
- Stock issues
- Local Temporary
- Local Bonds
- Local authority bills
- Overdraft
- Negotiable Bonds
- Internal (capital receipts and revenue balances)
- Commercial Paper
- Medium Term Notes
- Deferred Purchase
- PFI / PPP

Other methods of financing

- Government and EC Capital Grants
- Lottery monies

All forms of funding will be considered by the Director of Finance taking into consideration the prevailing economic climate, regulations and local considerations. The Director of Finance has delegated powers through this Policy and the Strategy to take the most appropriate form of borrowing from the approved sources.

All borrowing transactions entered into by the Director of Finance will be reported to the Cabinet (Resources) Panel.

#### **4.5 Professional client status under MIFID II**

The following is a list of institutions where the Council has opted up to professional client status under MIFID II.

##### **Confirmed professional client status:**

###### **Money Market Funds**

- Federated Hermes (UK) LLP
- Invesco Global Asset Management Limited
- Aberdeen Liquidity Fund (LUX)

###### **External treasury management advisors**

- Link Group

###### **Money-brokering services**

- ICAP Europe Limited
- Martin Brokers (UK) plc
- Tradition UK Limited
- Tullet Prebon (Europe) Limited

##### **Application outstanding:**

None.

##### **No requirement to opt up**

###### **Money Market Funds**

- Black Rock Institutional Sterling Liquidity Fund

**Schedule 5 : TMP 5 – Organisation, clarity and segregation of responsibilities, and dealing arrangements**

**5.1 Limits to responsibilities/discretion at Council and Cabinet (Resources) Panel**

**Council**

- Approving the annual report on treasury management policies, practices and activities.
- Approving the Treasury Management Strategy Statement/Annual Investment Strategy/MRP Policy, including a mid-year review and any other revisions/uploads.
- Approving the Annual Treasury Report
- Approval of Treasury Management budgets

**Cabinet**

- Recommending the Annual Treasury Report to Council.

**Cabinet (Resources) Panel**

- Receiving and reviewing the quarterly Treasury Management Monitoring reports.
- Monitoring performance against budgets.
- Approval of the division of responsibilities.
- Receiving and reviewing external audit reports and acting on recommendations.
- Approving the selection of external service providers and agreeing terms of appointment.

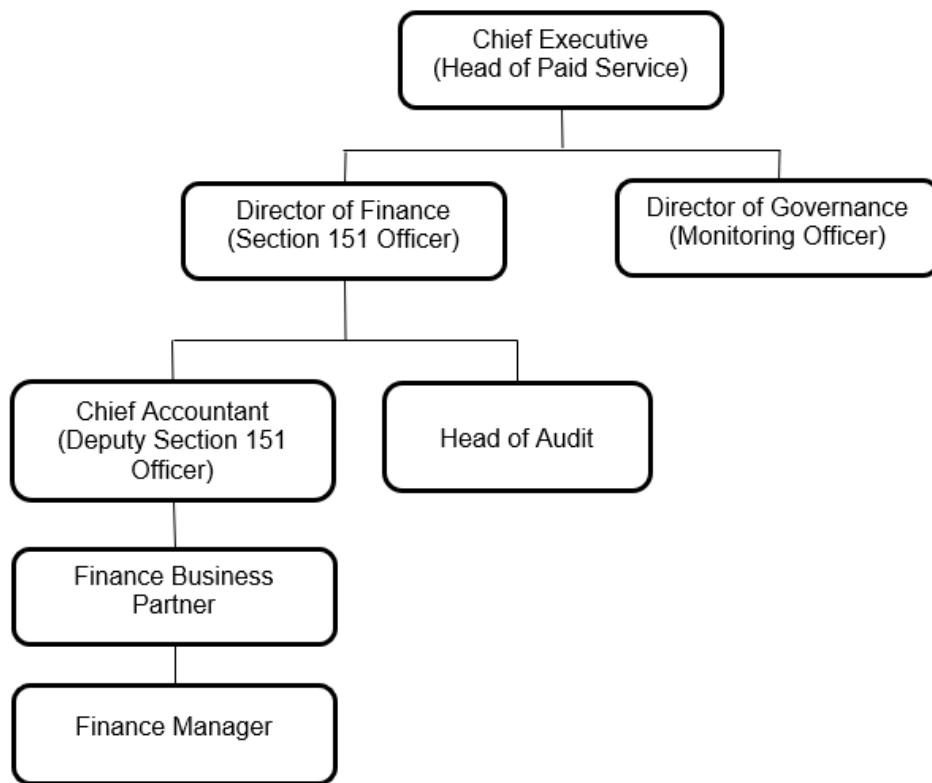
**5.2 Principles and practices concerning segregation of duties**

The varied aspects of treasury management and the large volume of funds involved require a clear segregation of duties. The Council's Treasury Management Practices reflect the separation of duties, namely:

- Policy formulation - approved by Council and monitored/amended by Cabinet (Resources) Panel.
- Treasury advice - the Director of Finance is the responsible officer for advising Council and Cabinet (Resources) Panel. The recommendations made to Councillors will also reflect the advice provided to the Director of Finance by specialist external advisors.
- Dealing in the Market - undertaken by rotating use of one of four approved brokers based on best rates on offer.
- Recording, administration and recommendations to the Director of Finance on treasury activity is carried out by the Finance Manager (Treasury Management).
- All transactions are subject to both internal and external audit.
- The Chief Executive has responsibility for ensuring that a specified system is implemented.
- The Director of Governance has responsibility for ensuring compliance with the law.

### 5.3 Treasury management organisation chart

The treasury management organisation chart as at February 2021 is as follows:



### 5.4 Statement of duties/responsibilities of each treasury post

#### Director of Finance (Section 151 Officer)

1. The Director of Finance will:

- Recommend treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submit regular treasury management policy reports to Cabinet (Resources) Panel.
- Submit reports on performance against budgets to Cabinet (Resources) Panel.
- Receive and review management information reports.
- Review the performance of the treasury management function and promote best value reviews.
- Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Ensure the adequacy of internal audit.
- Liaising with external audit.
- Recommend the appointment of external service providers.

2. The Director of Finance has delegated powers to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.

3. The Director of Finance may delegate their power to borrow and invest to members of their staff. The Director of Finance, Deputy Section 151 Officer, Finance Business Partner or any other officer nominated by the Director of Finance must conduct all dealing transactions, or staff authorised by the Director of Finance to act as temporary cover for leave/sickness. All transactions must be authorised by at least one of the named officers above.
4. The Director of Finance and the Director of Governance will ensure that the treasury management policy is adhered to, and if not, will bring the matter to the attention of elected councillors as soon as possible.
5. Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Finance to be satisfied, by reference if appropriate to the Director of Governance, and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.
6. It is also the responsibility of the Director of Finance to ensure that the Council complies with the requirements of the UK Money Markets Code (which supersedes The Non Investment Products Code, formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

### **Finance Manager**

Under the direction and supervision of either the Director of Finance or, in their absence, the Deputy Section 151 Officer, the Finance Manager will be responsible for:

- Execution of transactions
- Adherence to agreed policies and practices on a day-to-day basis
- Ensuring that adequate records are maintained and procedures are fully documented
- Maintaining cash flow projections
- Maintaining relationships with third parties and external service providers
- Supervising treasury management staff
- Monitoring performance on a day-to-day basis
- Submitting regular management information reports to the Director of Finance
- Informing treasury management activity, including borrowing options
- Identifying and recommending opportunities for improved practices
- Reporting any actual or potential variations to agreed policies and procedures as they arise.

### **Chief Executive (Head of the Paid Service)**

The responsibilities of this post will be:

- Ensuring that the treasury management system is specified and implemented

- Ensuring that the Director of Finance reports regularly to the Council and Cabinet (Resources) Panel on treasury policy, activity and performance.

### **Director of Governance (Monitoring Officer)**

The responsibilities of this post will be:

- Ensuring compliance by the Director of Finance with the treasury management policy statement and treasury management practices and that they comply with the law.
- Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- Giving advice to the Director of Finance when advice is sought.

### **Internal Audit**

The responsibilities of Internal Audit will be:

- Reviewing compliance with approved policy and procedures.
- Reviewing division of duties and operational practice.
- Assessing value for money from treasury activities.
- Undertaking probity audit of treasury function.

## **5.5 Absence cover arrangements**

The Deputy Section 151 Officer will ensure that other staff within Strategic Finance who do not deal with treasury management activities on a daily basis are sufficiently trained so that they can provide absence cover. Such cover will be limited to dealing with the production of daily up-dates of the Council's cash flow statements and, in exceptional circumstances, communicating deals through to the Council's brokers and bank once instructions have been received from either the Director of Finance or the Deputy Section 151 Officer.

## **5.6 List of approved brokers**

ICAP Europe Limited  
Martin Brokers (UK) plc  
Tradition UK Limited  
Tullett Prebon (Europe) Limited

## **5.7 Policy on brokers' services**

To avoid an over-reliance on a single broker and thereby enhance objective dealings, deals will be spread amongst brokers on a rotation basis. The exception being when undertaking temporary borrowing in which case all brokers will be approached to obtain the best rate available.

**5.8 Policy on taping of conversations**

Taping of conversations with the Council's brokers and bank is not normally carried out by the Director of Finance or their staff.

**5.9 Direct dealing practices**

Direct dealing with counterparties by the Director of Finance or their staff is undertaken with the following, in order to achieve higher rates than dealing with them via our brokers and to maintain adequate levels of liquidity:

- The Council's bankers (National Westminster Bank plc, trading as RBS Commercial & Private Banking) - overnight deposits only
- Invesco Global Asset Management Limited (previously Aim Global Ltd and STIC) - Money Market Fund
- Black Rock Institutional Sterling Liquidity Fund – Money Market Fund
- Aberdeen Liquidity Fund (LUX) (previously called Standard Life Investments Liquidity Fund and Ignis Sterling Liquidity Fund) – Money Market Fund
- Federated Hermes (UK) LLP (previously Prime Rate Sterling Liquidity Fund) - Money Market Fund
- Santander - Business Reserve Account
- Natwest - Call Account
- Debt Management Account Deposit Facility – Debt Management Office (DMO)

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. However, the accounts will remain open for future dealings if or when their credit ratings recover.

**5.10 Settlement transmission procedures**

Deals will normally be made by telephone and/or confirmed by fax, with payments being made and sums being received by telephonic transfer.

**5.11 Documentation requirements**

Every deal will be fully documented showing the name of the broker used, amount, period, counterparty, interest rate, date, commission and transmission arrangements. All documentation will be available for inspection by internal and external audit. All documentation will be retained for six years.

**5.12 Arrangements concerning the management of third party funds**

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

## **Schedule 6 : TMP 6 – Reporting requirements and management information arrangements**

### **6.1 Annual Treasury Management Strategy Statement**

The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Council for approval as part of the overall budget and council tax determination process prior to the commencement of each financial year.

The formulation of the annual Treasury Management Statement involves determining the appropriate borrowing and investment decisions in light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Director of Finance may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early (subject to borrowing in advance of need) if fixed interest rates are expected to rise.

The Treasury Management Strategy is concerned with the following elements:

- Prudential and Treasury Indicators
- current treasury portfolio positions
- borrowing requirement
- prospects for interest rates
- borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- investment strategy
- creditworthiness policy
- policy on the use of external service providers
- any extraordinary treasury issues
- the Council's MRP policy

The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

### **6.2 Annual Investment Strategy**

At the same time that the Council receives the Treasury Management Strategy Statement it will also receive a report the Annual Investment Strategy which will set out the following:

- the Council's risk appetite in respect of security, liquidity and optimum performance
- the definition of high credit quality
- the investment instruments that the Council will use
- whether they will be used by the in-house team, external managers or both
- the Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list

- which credit ratings the council will use
- how the Council will deal with changes in rating, rating watches and rating outlooks
- limits for individual counterparties and group limits
- country limits
- levels of cash balances
- interest rate outlook
- budget for investment earnings
- policy on the use of external fund providers

#### **6.3 Annual Minimum Revenue Provisions Statement**

This will set out how the Council will make revenue provision for repayment of its borrowing and will be submitted at the same time as the Annual Treasury Management Strategy Statement and Annual Investment Strategy Statement.

#### **6.4 Policy on Prudential and Treasury Indicators**

The Council will approve before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.

The Director of Finance is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Director of Finance shall submit the changes for approval to full Council.

#### **6.5 Mid-year review**

In addition to the annual review, the council will review its treasury management activities and strategy on at least one occasion during the financial year in question. This review will consider the following:

- activities undertaken
- variations, if any, from agreed policy/practices
- interim performance report
- regular monitoring
- monitoring of treasury management indicators for local authorities

#### **6.6 Annual report on treasury management activity**

An annual report will be presented to the Cabinet and to Council, at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following:

- transactions executed and their revenue effects
- report on risk implications of decisions taken and transactions executed

- compliance report on agreed policies and practices, and on statutory/regulatory requirements
- performance report
- report on compliance with CIPFA Code recommendations
- monitoring of treasury management indicators

## **6.7 Management information reports**

Management information reports will be prepared regularly by the Finance Manager and will be presented to the Director of Finance.

These reports will contain the following information:

- a summary of transactions executed and their revenue effects
- measurements of performance including effect on loan charges/investment income
- degree of compliance with original strategy and explanation of variances
- any non-compliance with Prudential limits or other treasury management limits

## **6.8 Quarterly monitoring reports**

A quarterly monitoring report will be submitted by the Director of Finance to meetings of the Cabinet (Resources) Panel or Cabinet as appropriate to compare actual performance, practices and activity with the current approved Treasury Management Policy Statement/Practices.

**Schedule 7 : TMP 7 – Budgeting, accounting and audit arrangements**

**7.1 Statutory/regulatory requirements**

The accounts are drawn up in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom which is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's Treasury Management in the Public Services – Code of Practice (the CIPFA Code), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

**7.2 Accounting practices and standards**

Due regard is given to the Code of Practice on Local Authority Accounting in the United Kingdom.

**7.3 Sample budgets / accounts / prudential and treasury indicators**

The Director of Finance will prepare a medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Director of Finance will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

**7.4 List of information requirements of external auditors**

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

## Schedule 8 : TMP 8 – Cash and cash flow management

### 8.1 Arrangements for preparing/submitting cash flow statements

The Finance Manager prior to the start of a new financial year will prepare a cash flow statement showing the Council's expected payments and income over that forthcoming financial year. This will be updated daily by no later than 11.00 a.m. to form rolling cash flow forecasts. The cash flow forecast will be monitored on a regular basis by the Director of Finance or, in her absence, the Deputy Section 151 Officer.

The cash flow forecast will identify the following factors:

- Payments
  - Repayment of maturity and instalment loans
  - Profile of salary payments
  - Profile of payments to HMRC for income tax and national insurance
  - Profile of payments to precepting authorities
  - Profile of creditor payments
  - CHAPS and Telephone Transfer payments to be identified in advance
- Income
  - Profile of Government Grants for RSG purposes
  - Profile of Dedicated Schools Grant
  - Profile of other Government Grants
  - Profile of daily cash income
  - Profile of VAT reimbursements
  - Profile of weekly Collection Fund income
  - Large capital receipts to be identified

The cash flow forecast for the financial year will be updated on a daily basis. In addition, a forecast for the following financial year will be created 3 months prior to the start of that year. Forecasts will be monitored against daily bankings and clearings.

The estimated daily bank overdraft is not to exceed £500,000.

### 8.2 Bank statement procedures

Daily bank statements for all accounts are available through online banking which are reconciled to all income and expenditure.

### 8.3 Payment scheduling and agreed terms of trade with creditors

All contracts for the supply of goods or services must be subject to the Council's standard payment terms – monthly in arrears. Any contracts which require special financing arrangements these must be agreed by the Director of Finance.

Where a contract provides for payments to be made by instalments following the delivery of services or completion of work, a cost plan must be prepared for such contracts and payments monitored against that plan.

Work carried out by 'statutory undertakings' is excluded from the Competition Requirements of the Contracts Procedure Rules and payment in advance of the works being carried out is considered to be acceptable.

The standard method of payment of creditors is by BACS, 30 days from date of invoice unless the invoice is in dispute.

#### **8.4 Arrangements for monitoring debtor/creditor levels**

Revenues and Benefits carry out regular analysis of debtor levels.

The Hub Payments Team carry out regular analysis of creditor levels.

#### **8.5 Procedures for banking of funds**

The Director of Finance shall approve the arrangements for the collection and banking of all money due to the Council.

Each officer shall ensure the prompt raising of debtor invoices for the recovery of income due.

All stationery used in connection with the collection and allocation of income shall be held and distributed under approval from the Director of Finance.

On receipt of income the employee shall; immediately record the transaction, provide the customer with verification of payment and subsequently bank the monies in accordance with Council procedure rules.

No deduction may be made from any income received without approval from the Director of Finance.

In accordance with the Accounts and Audit Regulations 2015, the amount of each cheque shall be recorded on either the bank paying in slip or an attached cheque listing detailing; the amount, the receipt number or reconciling information.

Personal cheques shall not be cashed through the Council's bank accounts.

Any transfer of physical money from one employee to another will be evidenced in the records of the responsible service.

The Council has established an Anti-Money Laundering Policy to ensure it is compliant with the requirements of the current Money Laundering Regulations.

Therefore, all employees receiving cash on behalf of the Council should ensure that they comply with this policy.

To help prevent money laundering, cash payments (including notes, coin or travellers cheques in any currency) above £5,000 will not be accepted for any Council service.

All income streams in excess of £25,000 that were not included in the approved budget shall be reported to the Director of Finance at the earliest opportunity.

## **Schedule 9 : TMP 9 – Money laundering**

The Council last updated its anti-money laundering policy and procedure in 2017, below is a copy of this policy approved by Audit and Risk Committee. The policy is currently being updated to reflect the recent Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations. Once updated it will be taken back to the Audit and Risk Committee for approval.

### **9.1 Introduction**

Money laundering is any process whereby funds derived from criminal activity are given the appearance of being legitimate. The Council must be alert to the possibility that attempts could be made to utilise funds obtained from criminal activity to pay for Council services.

The Council is committed to preventing money laundering by having anti-money laundering systems in place to establish the legitimacy of the sources of income.

This Anti-Money Laundering Policy makes it clear that it is extremely important that all employees are familiar with:

- the legal responsibilities;
- the criminal sanctions that may be imposed for breaches of the money laundering legislation;
- the need to be vigilant and take appropriate steps to reduce the opportunities for breaches of the Money Laundering Regulations;
- The key requirement to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

### **9.2 Legal requirements**

#### **The Money Laundering Regulations 2007**

These regulations set out detailed requirements for organisations to establish procedures to prevent its services being utilised for the purposes of money laundering.

While public authorities are not legally obliged to apply the provisions of the regulations as they do not fall under the term ‘regulated activity’. Certain public authorities must, if they know or suspect or have reasonable grounds for knowing or suspecting, that a person is or has engaged in money laundering or terrorist financing, as soon as reasonably practical inform the National Crime Agency. The Council is not one of the certain public authorities, but it will nonetheless inform the National Crime Agency in the same way.

Therefore, as a responsible public body the Council is employing policies and procedures which embrace the UK’s anti-terrorist financing, and anti-money laundering requirements, with a particular focus on CIPFA’s “Combatting Financial Crime – Further Guidance on Anti-money Laundering for Public Service Organisations”.

## **The Terrorism Act 2000**

This applies to all individuals and businesses in the UK and therefore all employees and councillors within the Council have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for terrorism or its laundering where it relates to information that comes to them in the course of their business or employment. The primary offence states a person commits an offence if he enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property by concealment, by removal from the jurisdiction, by transfer to nominees, or in any other way.

## **The Proceeds of Crime Act (POCA) 2002**

This Act applies to all individuals and organisations and further defines the offences of money laundering and creates mechanisms for investigating and recovering the proceeds of crime as well as placing an obligation on the Council, employees and councillors to report suspected money laundering activities. The primary offences are:

- Section 327 - concealing, disguising, converting, transferring or removing criminal property from the UK;
- Section 328 - entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Section 329 - acquiring, using or possessing criminal property.

### **9.3 Which service areas may be affected by money laundering?**

Examples of how the Council may be exposed to money laundering include accepting large cash amounts, the involvement of third parties, the request of a large refund and property investment or purchases.

Also, the Money Laundering legislation defines 'regulated activity' as the provision 'by way of business' of advice about tax affairs, accounting services, treasury management, investment or other financial services, audit services, legal services, estate agency, services involving the formation, operation or arrangement of a company or trust or, dealing in goods wherever a transaction involves a payment of €15,000 (approx. £12,500) or more.

To help prevent money laundering, cash payments (including notes, coin or travellers cheques in any currency) above £5,000 will not be accepted for any Council service.

### **9.4 Establishing the identity of a new business relationship**

As a responsible Council, we should be aware of any suspicions arising out of funds received from a source from which we are unfamiliar. If the Council forms a new business relationship (including a significant one-off transaction) care should be taken to ensure

that the client is identifiable by making basic checks on their credentials, along with confirmation of where funds are coming from. This should not be an onerous task, but, we should ensure that we are clear about whom we are conducting business with. This will be especially important if the parties concerned are not physically present for identification purposes and to situations where someone may be acting for absent third parties. This is known as due diligence and must be carried out before any such business is entered into with the customer. If there is uncertainty whether such due diligence is required then advice must be obtained from the Money Laundering Reporting Officer.

Due diligence can be used to evidence a customer's identity by, for example:

- checking with the customer's website to confirm their business address
- conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors
- Conducting personal identity checks for example, requesting that the customer provide their current passport/driving licence, birth certificates

In certain circumstances enhanced customer due diligence may need to be carried out, for example, where:

- the customer has not been physically present for identification
- the customer is a politically exposed person
- there is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.

If it is believed that enhanced customer due diligence is required then the Money Laundering Reporting Officer should be consulted prior to carrying it out. Customer due diligence should be completed for all relevant new customers and for existing customers, during the life of a business relationship, proportionate to the risk of money laundering and terrorist funding.

## **9.5 Reporting suspected cases of Money Laundering**

Where an employee or Councillor knows or suspects that money laundering activity is taking/has taken place, or becomes concerned that their involvement in a matter may amount to a prohibited act under sections 327 to 329 of POCA, they must disclose this without delay or as soon as reasonably practicable to the Money Laundering Reporting Officer. Failure to report such activity may render the employee subject to prosecution and/or disciplinary action in accordance with the Council's disciplinary policy. The procedure for disclosure is:

- to complete a 'Disclosure Report to the Money Laundering Reporting Officer Form' and to include as much detail as possible e.g. name, date of birth, address, company names, directorships, phone numbers, nature of the activity etc;

The Council has appointed the following employee as the Money Laundering Reporting Officer (MLRO):

**Peter Farrow - Head of Audit Services**

Tel: (01902) 554460  
e-mail: peter.farrow@wolverhampton.gov.uk

In the absence of the MLRO listed above, the following employee is authorised to deputise:

**Mark Wilkes, Client Lead Auditor**

Tel: (01902) 554462  
e-mail: mark.wilkes@wolverhampton.gov.uk

Further advice on money laundering matters can also be obtained from:

**Claire Nye – Director of Finance (S151 Officer)**

Tel: (01902) 550478  
e-mail: claire.nye@wolverhampton.gov.uk

**David Pattison – Director of Governance/Monitoring Officer**

Tel: (01902) 553840  
e-mail: david.pattison@wolverhampton.gov.uk

**9.6 Investigating and Reporting Money Laundering**

**How will the Money Laundering Reporting Officer investigate a disclosure?**

The Money Laundering Reporting Officer will:

- acknowledge receipt of the disclosure report;
- assess the information provided to make a judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering activities and;
- prepare a Suspicious Activity Report (SAR) to the National Crime Agency (NCA), where appropriate;
- The employee or councillor must follow any directions given by the Money Laundering Reporting Officer
- The employee or councillor must cease all involvement in the transaction (not make any further enquiries into the matter themselves) unless or until consent is provided by the NCA.
- The employee or councillor must specify in the disclosure report if such consent is required to comply with any transaction deadlines.
- Any necessary investigation will be undertaken by the NCA. Employees and councillors will be required to co-operate with any subsequent money laundering investigation.
- At no time and under no circumstances should the employee or councillor voice any suspicions to the person(s) suspected of money laundering, even if the NCA

has given consent to a particular transaction proceeding, without the specific consent of the Money Laundering Reporting Officer.

- Where the Money Laundering Reporting Officer concludes that there are no reasonable grounds to suspect money laundering then they shall mark the disclosure report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- All in-house disclosure reports and NCA Suspicious Activity Reports will be retained for a minimum of five years after the business relationship ends or an occasional transaction is completed.

#### **9.7 Record Keeping**

Each area of the Council which conducts relevant business must maintain suitable records of any completed due diligence checks and details of relevant transactions must be maintained for at least five years. This provides an audit trail and evidence for any subsequent investigation into money laundering, for example, distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the Council will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.

#### **9.8 Review of the Money Laundering Policy**

The Money Laundering Policy will be reviewed on an annual basis by the Head of Audit and the Audit and Risk Committee to ensure that it remains up to date, fit for purpose and represents generally acceptable good practice.

## **Schedule 10 : TMP 10 – Training and qualifications**

### **10.1 Details of approved training courses, etc.**

Principally using seminars and training, where appropriate, provided by Link Group:

- bi-annual seminars, including workshops
- regional training
- specific training or individual briefing sessions

A record will be maintained of all training courses and seminars attended by staff and councillors engaged in treasury management activities.

All staff engaged on treasury management activities will undergo regular management development reviews to assist in career development.

The Deputy Section 151 Officer, Finance Business Partner and Finance Manager will be professionally qualified accountants, preferably CIPFA.

Councillors charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

### **10.2 Standards of professional practice (SOPP)**

The Council's Director of Finance is a member of CIPFA. The postholder is committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained. Other senior staff involved in treasury management activities who are members of CIPFA will also comply with the SOPP.

**Schedule 11 : TMP 11 – Use of external service providers**

**11.1 Details of contracts with service providers, including bankers, brokers, consultants, advisers and details of services provided**

**Core Banking Services**

Name of supplier of service - National Westminster Bank plc, trading as RBS Commercial & Private Banking.

Contract commenced 1 April 2015 and runs for five years with the option to extend for a further two years.

The above contract was awarded by Individual Executive Decision Notice on 11 November 2014.

**Merchant Acquiring Services (Card Acquiring Services)**

Name of supplier service – Lloyds Banking Group.

Contract commenced 1 April 2015 and runs for five years with the option to extend for a further two years.

The above contract was awarded by Individual Executive Decision Notice on 30 January 2015.

**Money-brokering services**

ICAP Europe Limited

Martin Brokers (UK) plc

Tradition UK Limited

Tullett Prebon (Europe) Limited

**Cash/fund management services**

No external suppliers are used to provide these services.

**Consultants'/advisers' services**

Name of supplier of service – Link Group

Contract commenced 1 January 2018 for three years until 31 December 2020 with a possibility of two further extensions of twelve months each. The first option to extend the contract until 31 December 2021 has been taken.

Service provided - treasury management specialist advice

**11.2 Procedures and frequency for tendering services**

See Schedule 2 : TMP 2 Performance measurement.

**Schedule 12 : TMP 12 – Corporate governance**

**12.1 List of documents to be made available for public inspection**

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.

The Council will make available to any interested party:

- Treasury Management Policy and Practices Statement
- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue Provision policy statement
- Annual Treasury Report
- Treasury Management monitoring reports (quarterly)
- Annual Statement of Accounts and financial instruments disclosure note
- Annual budget and Medium Term Financial Strategy
- HRA Business Plan
- Approved Capital Programme
- Minutes of Council/Cabinet meetings

**12.2 Procedures for consultation with stakeholders**

Stakeholders have an opportunity to comment on the Council's Treasury Management activities as part of the overall annual budget consultation process and to inspect any transactions when the Council's accounts are placed on deposit for inspection each year.

**12.3 List of external funds managed on behalf of others and the basis of attributing interest earned and costs to these investments**

The Council does not manage funds on behalf of other organisations.

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 February 2021</b>
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<b>Report title</b>	2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024		
<b>Decision designation</b>	RED		
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources		
<b>Key decision</b>	Yes		
<b>In forward plan</b>	Yes		
<b>Wards affected</b>	All Wards		
<b>Accountable Director</b>	Tim Johnson, Chief Executive		
<b>Originating service</b>	Strategic Finance		
<b>Accountable employee</b>	Claire Nye Tel Email	Director of Finance 01902 550478 Claire. Nye@wolverhampton.gov.uk	
<b>Report to be/has been considered by</b>	Strategic Executive Board Council	5 February 2021 3 March 2021	

**Recommendations for decision:**

The Cabinet recommends that Council approves:

1. The net budget requirement for 2021-2022 of £258.5 million for General Fund services (paragraph 10.1).
2. The Medium Term Financial Strategy (MTFS) 2021-2022 to 2023-2024 as detailed in Table 4 and the budget preparation parameters underpinning the MTFS as detailed in Appendix 2 to this report.
3. A Council Tax for Council services in 2021-2022 of £1,765.49 for a Band D property, being an increase of 4.99% on 2020-2021 levels, which incorporates the 3% increase in relation to Adult Social Care, in line with Government expectations. (paragraph 8.4, Table 1).

4. That work starts on developing budget reductions and income generation proposals for 2022-2023 onwards in line with the Five Year Financial Strategy (paragraph 10.5).
5. Revisions to the local council tax support scheme (paragraph 8.7).

The Cabinet is recommended to approve:

1. The updated assumptions used in the Budget 2021-2022 and the MTFS 2021-2022 to 2023-2024 as detailed in sections 7 and Appendix 1.
2. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the calculation and allocation of growth in the central share of business rates for 2021-2022 and future years to be passported to the West Midlands Combined Authority (WMCA) (Appendix 1, paragraph 1.29).
3. That authority be delegated to the Cabinet Member for Resources and Cabinet Member for Education and Skills, in consultation with Director of Finance and Director of Children's and Adult Services, to approve changes to the local funding formula for Schools including method, principles and rules adopted (paragraph 12.4).
4. That authority continues to be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to consider further opportunities to accelerate pension contribution payments to secure additional budget reductions (Appendix 1 paragraph 1.5).
5. That the external provider of Risk Based Verification (RBV) is no longer beneficial to the service and that the Council ceases to operate the external RBV system from 31 March 2021, using an in-house RBV approach to the verification of new Housing Benefit and Council Tax Support claims (paragraph 8.10).

#### **Recommendations for noting:**

The Cabinet is asked to note:

1. That the budget for 2021-2022 is in balance without the use of general reserves (paragraph 10.1).
2. That, in the opinion of the Director of Finance (Section 151 Officer), the 2021-2022 budget estimates are robust (paragraph 10.1).
3. That, in the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year (paragraph 11.4).
4. That a further £25.4 million needs to be identified for 2022-2023 rising to £29.6 million over the medium term to 2023-2024 in order to address the projected budget deficit (paragraph 10.5).

5. That, due to external factors, in particular the impact of Covid 19, budget assumptions remain subject to significant change, which could therefore result in alterations to the financial position facing the Council (paragraph 7.5).
6. That, there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities over the forthcoming multi-year Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term (paragraph 7.20).
7. That, the overall level of risk associated with the 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 is assessed as Red (paragraph 9.1).
8. That Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions (paragraph 17.7).

## **1.0 Purpose**

- 1.1 The purpose of this report is to present a balanced budget for 2021-2022 aligned to the Council Plan priorities and an update to the Medium Term Financial Strategy (MTFS) 2021-2022 to 2023-2024, for recommendation to Full Council.
- 1.2 This report also provides an update on the projected financial implications of the Covid-19 pandemic and 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.

## **2.0 Background and Summary**

- 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 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. Cabinet have been updated throughout the year as work progressed to address the budget deficit.
- 2.4 In November 2020, Cabinet received a report in which it was stated that without the cost pressures arising as a result of the Covid-19 pandemic, it was estimated that the Council would be faced with a budget deficit in the region of £4.5 million for 2021-2022 and be on track to deliver another balanced budget. It was also stated that, the huge costs of dealing with the immediate implications of the ongoing pandemic and the likely ongoing costs caused by the resulting economic damage, the Council would be faced with significant forecast financial pressures. Without additional government funding, this would increase 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.
- 2.5 It was assumed that the Government would honour a commitment to provide sufficient grant funding to cover these pressures following the Secretary of State for Housing, Communities and Local Government previously stating in a message to council leaders that committed the Government to do “whatever it takes” to ensure that local authorities

would have the resources needed to do what was being asked of them to help with the pandemic response. The Council remains reliant on the Government's commitment to provide sufficient grants into the future.

- 2.6 The financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy. As detailed in paragraph 3.7, our current projections indicate that having taken into account additional government grant, there is a net cost pressure of over £6 million in 2021-2022 as a result of Covid.
- 2.7 Since November 2020, the 2021-2022 budget setting process has continued with the identification of emerging budget pressures and the review of government funding announced in the provisional settlement. In order to be able to balance the budget for 2021-2022 work has continued to identify further efficiency measures. In summary and despite the net budgetary impact of Covid, a balanced budget for 2021-2022 is proposed without the need to undertake a fundamental review of services or the use of general reserves.
- 2.8 Due to the short term nature of Government funding streams, and the one-off nature of some of the efficiency measures, the deficit increases to £29.5 million over the period to 2023-2024 when including the cost implications of the pandemic. It is vital that the government provides confirmation of medium term funding as soon as possible in order that the council can ensure the continuation of key service provision and the delivery of Relighting Our City Priorities.
- 2.9 Reserves play a vital role in the financial sustainability of the Council. It is important to note that, the Council's General Fund Balance stands at £13 million. This level of reserve is approximately 5% of the 2020-2021 net budget which is in line with recommended best practice. In addition, the Council holds specific reserves which are set aside to fund future planned expenditure. It is vital the Council continues to hold these reserves to mitigate the risk of uncertainty of any potential future expenditure and to support the delivery of council priorities, therefore it is not an option to use the funds to meet the budget deficit.
- 2.10 The Director of Finance recommends the MTFS to Cabinet as a reasonable forecast over the medium term but recognises that external factors could have a significant impact on the financial position of the Council.

### **3.0 Covid – 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 (Source: <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 This has required the implementation of new, short term initiatives requiring additional investment including work to support vulnerable residents, reduce transmission of Covid-19 in our city, working with schools and early years providers to support children and young people and provide grants and support to local businesses and high streets.
- 3.4 All of these short-term new initiatives required additional investment and have been funded to-date by the funding received from Central Government.
- 3.5 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.
- 3.6 One-off grants have been provided to support the cost implications of the pandemic in 2020-2021, including £25.5 million of general Emergency Covid-19 funding. In addition, Councils can apply for funding to part fund the loss of non-commercial income. The Council has received £2.2 million to-date for losses for the period of April to July. Grant funding for the period of September to March is estimated to be in the region of £3.6 million, however, this will be subject to grant claims. 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 in 2020-2021. However, it is important to note, that the financial implications are subject to change and do not include the full cost of recovery work or any provision for changes in national or local restrictions.
- 3.7 As part of setting the 2021-2022 budget, the ongoing impact of the pandemic has been considered. Due to the distortion of the budget as mentioned in paragraph 2.6 it is difficult to confirm the exact costs directly associated with Covid-19. However, after taking into account the grants specifically for Covid-19, our current assumptions estimate that the net impact of the pandemic is in the region of £6.4 million as shown in Table 5. This cost pressure has been met from other efficiencies identified across the Council.
- 3.8 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. It is anticipated that pressures will continue to emerge in many areas particularly in relation to adult social care, public health and wellbeing and income generating services. 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.

#### 4.0 Five Year Financial Strategy

- 4.1 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.
- 4.2 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
- 4.3 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 5, 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.
- 4.4 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

## 5.0 Relighting Our City Agenda

- 5.1 Alongside managing the emergency response to the pandemic, the Council has also undertaken extensive planning for recovery which was approved by Cabinet in September 2020. 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’.
- 5.2 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
- 5.3 Relighting Our City also references three cross cutting themes which cut across all of our recovery work, namely being climate focused, driven by digital and fair and inclusive in our approach.

- 5.4 In order to ensure the delivery of our recovery commitment, the Council's MTFS will be aligned to the priorities as set out in Relighting Our City. In addition to this, budget growth in the region of £510,000 has been incorporated into the proposed 2021-2022 budget to support the Relighting Our City agenda; this is in addition to the £3.0 million Recovery Reserve which was established as part of the 2019-2020 closedown process.
- 5.5 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. Whilst it is projected that Government funding will be sufficient for 2020-2021 and that they have announced some resources to support the impact of Covid-19 in 2021-2022, if the impact of the pandemic continues over a prolonged period of time and additional Government funding is not forthcoming, the Council may need to make significant reductions to existing budgets and potentially make use of earmarked reserves in order to meet the costs of increased activity or loss of income. This would compromise the Council's ability to deliver its Relighting Our City plan and deliver its priorities. The financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy. The ongoing impact will continue to be closely monitored, with updates provided in future reports.

## **6.0 Local Government Finance Settlement**

- 6.1 On 17 December 2020, the Government announced the provisional local government finance settlement, referred to herein as the provisional settlement, for 2021-2022. A report to Cabinet on 20 January 2021 outlined the headlines from the settlement including: confirmation of the council tax referendum limit at 1.99% for 2021-2022, confirmation that local authorities with adult social care responsibility could raise an additional 3% in 2021-2022 via the adult social care precept. When Government calculates how much money they give to councils, their expectation is that we will raise council tax by the maximum amount possible – 1.99%, as well as the additional 3% levy to fund adult social care. Not doing so would mean making more cuts to essential services and being unable to deliver on residents' priorities.
- 6.2 They also confirmed the continuation of the new homes bonus scheme for a further year with no new legacy payments, and additional funding for adult and children's social care. The provisional allocation for the Council is £2.7 million.
- 6.3 Further to this, the provisional settlement announced a further tranche of Covid-19 grant funding for 2021-2022 to deal with the cost pressures during the first three months of 2021-2022. The provisional allocation for the Council is £8.7 million. During 2020-2021, the Government also announced a co-payment mechanism for irrecoverable sales, fees and charges income. The provisional settlement announced that this scheme will continue for the first three months of 2021-2022. Based on 2020-2021 irrecoverable

sales, fees and charges income, it is anticipated that this could be in the region of £1.1 million.

- 6.4 On 4 February 2021, the Secretary of State for the Ministry of Housing, Communities and Local Government gave a written statement on the Final Local Government Finance Settlement 2021-2022, referred to herein as the final settlement. It is anticipated that the final settlement will be debated in the House of Commons on 10 February 2021. The final settlement is in line with the provisional settlement announcement.
- 6.5 Appendix 1 provides further detail on forecast Council resources.

## **7.0 Medium Term Financial Strategy – Key Assumptions**

- 7.1 Despite austerity since 2010, the Council has a strong track-record of managing money well, planning ahead and delivering excellent services.
- 7.2 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy remain under constant review and update.
- 7.3 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.
- 7.4 The major budget assumptions used in the preparation of the MTFS are set out in Appendix 2. Appendix 1 provides detail of the changes to growth and inflation and corporate resource assumptions, which are recommended for inclusion in the 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024.
- 7.5 It is important to note that whilst recent Government announcements have provided some clarity for the forthcoming financial year, the Council continues to face significant uncertainty over the medium term, and it is particularly challenging to establish a medium term financial strategy beyond 2021-2022. However, work has been ongoing to project a forecast medium term position as detailed in this report. It is projected that the medium term budget deficit could be in the region of £29.6 million over the next three years. In order to project this potential deficit a number of assumptions have been made on the level of resources that will be available to the Council, as detailed in the paragraphs below and Appendix 1. However, given uncertainties surrounding levels of resources for local authorities it is difficult to project the potential resources that will be available to the Council over the medium term period.
- 7.6 The overall impact of the revisions to the 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 has been detailed in Table 4 below and in more detail in Appendix 1. However some of the key budget assumptions are detailed in the paragraphs below.

## **Pay Related Pressures**

- 7.7 Detailed work has been undertaken to assess the likely impact of pay related pressures. The projected budget adjustments arising from the combined pay related pressures is detailed in Appendix 1.
- 7.8 In the Spending Review 2020, the Government announced that there would be a pay freeze for public sector workers. Unlike other public sector organisations, the local authority pay award will be agreed at a national level in negotiations between employers and trade unions through the National Joint Council for Local Government Services. In order to be prudent, it is proposed that a pay award contingency totalling £1.4 million is held in a Corporate Contingency in the 2021-2022 budget, this would equate to a 1% pay award. In the event that pay negotiations result in a pay deal that is in excess of this budget provision, the Budget Contingency Reserve would be called upon to fund the shortfall.
- 7.9 The Spending Review 2020 also confirmed that those employees who earn below £24,000 will receive a pay increase of £250 in 2021-2022. Again, such an increase will be negotiated through the National Joint Council for Local Government Services but this level of provision has been provided for in the 2021-2022 budget estimates.

## **Budget Pressures**

- 7.10 A number of emerging pressures have been identified throughout the current financial year and in order to be prudent those pressures have been recognised in the 2021-2022 budget and medium term financial strategy. The key budget pressures reflected are detailed in the paragraphs below whilst a full list of budget pressures incorporated into the budget and medium term financial strategy can be found at Appendix 1.
- 7.11 The approved MTFS already included a provision for National Living Wage increases in relation to external contracts following announcements made by the Government and demographic growth in previous years. As part of the ongoing revenue budget monitoring during 2020-2021, potential pressures have been flagged within Adult Services due to increases in demand for services and cost pressures. Additional budget growth totalling £2 million has therefore been incorporated into the 2021-2022 budget. This will continue to be monitored and reviewed in light of the ongoing Covid-19 pandemic, with updates provided to Councillors as part of the quarterly revenue budget monitoring reports.
- 7.12 In addition to this, emerging pressures within the Housing and Finance were also highlighted through the current financial year due to increased demand for temporary accommodation. In order to be prudent, the 2021-2022 budget has been increased to reflect the costs associated with this demand.
- 7.13 The City of Wolverhampton contains many leafy suburbs with many trees lining our streets with many more located around the perimeter of parks and green open spaces. There has been an increasing number of severe weather events including high rainfall and strong winds as a result of climate change, which when combined increase the likelihood of trees falling which presents a significant risk to public safety and potential

disruption to transport links. In line with the Relighting Our City agenda and the climate focused theme and to mitigate against the risk of trees falling and failing, it is proposed that budget growth of £469,000 be incorporated into the 2021-2022 budget to increase the inspection programme for tree maintenance.

- 7.14 Wolverhampton has seen significant transformation within its Children's Services in recent years. Under the Transforming Children's Services Programme, the Council continues to focus on improving outcomes for children and young people so that the right children have the right support at the right time. Based on the current demand for service provision, it is forecast that approved growth of £700,000 already assumed in the MTFS for Children and Young People in Care can be released.

### **Efficiencies**

- 7.15 As part of the detailed budget review, a number of efficiencies have been identified for 2021-2022 and future years, as detailed in Appendix 1. The efficiencies identified include corporate budget efficiencies 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 budget as a result of efficiencies and reduction in the use of corporate contingencies. It is therefore proposed that the net underspend in 2020-2021 be transferred into a specific reserve to support the 2021-2022 budget strategy.
- 7.16 In addition to this, new efficiencies across directorates have been identified for 2020-2021 totalling £2.1 million. These efficiencies and their impact over the medium term are listed in full in Appendix 1.

### **Reprofiled Savings**

- 7.17 As reported to Cabinet in November 2020, in depth reviews have been undertaken on existing budget reduction and income generation proposals. This has been particularly important in light of the Covid-19 pandemic and changes to the environment in which we currently operate.
- 7.18 It has been identified that £4.4 million of savings will not be delivered in 2021-2022 as originally planned. Of this, £1.2 million relate to staff terms and conditions. In February 2020, it was reported that following the permanent change to employee terms and conditions, which saw the implementation of three days mandatory unpaid leave per year, it was proposed to pause further changes to terms and conditions in 2020-2021, therefore removing the budget reduction target for 2020-2021 pending a review in future years. The Council value the contribution employees make in delivering the priorities of the Council, therefore amending terms and conditions is always a last resort. It is therefore proposed that any further changes to terms and conditions continue to be paused for 2021-2022; therefore, removing the budget reduction target in 2021-2022.

- 7.19 The revision to existing savings proposals, to ensure that they are deliverable over the medium term, have been reflected in the medium term financial strategy. Further detail can be found in Appendices 1.

### **Corporate Resources**

- 7.20 Recent Government announcements have provided some clarity for the forthcoming financial year; however, the Council continues to face significant uncertainty over the medium term, and it is particularly challenging to establish a medium term financial strategy beyond 2021-2022. This is due to the uncertainty regarding potential resources that will be available to the Council over the forthcoming multi-year Spending Review period and the potential additional pressures on income collected from council tax and business rates due to the ongoing pandemic.
- 7.21 In order to project the potential budget challenge faced by the Council, a number of assumptions have been made on the level of resources that will be available to the Council.
- 7.22 It is important to note that at the point information becomes available, it could, consequently, result in alterations to the financial position facing the Council.

### **Collection Fund assumptions**

- 7.23 On 20 January 2021, Cabinet received a report detailing the estimated outturn on the Collection Fund for 2020-2021 which consisted of a projected cumulative deficit in the region of £7.8 million on Council Tax after accounting for the Hardship Fund grant to compensate for council tax reliefs, and a projected cumulative deficit in the region of £9.0 million on Business Rates after accounting for the forecast additional Covid-19 business rates reliefs funded by Section 31 grant. Of this, the Council will be expected to retain a deficit of approximately £15.7 million.
- 7.24 As previously reported, the Covid-19 pandemic has had a significant impact on Wolverhampton. The forecast deficit has arisen as a result of the decline in council tax and business rates collection during 2020-2021, increases in the numbers of Local Council Tax Support claimants, reprofiling in housing growth assumptions and potential business rates appeals arising as a result of potential changes in circumstances.
- 7.25 The Government have announced that the repayment of collection fund deficits arising in 2020-2021 can be spread over a three year period (2021-2022 to 2023-2024).
- 7.26 In addition to this, in the Spending Review 2020, £762 million of funding was announced to compensate local authorities for 75% of irrecoverable losses from council tax and business rates revenues in 2020-2021, that would otherwise need to be funded through local authority budgets in 2021-2022 and later years. A further £670 million of funding was also announced to compensate local authorities with the additional costs of providing Local Council Tax support in 2021-2022, resulting from increased unemployment. The indicative allocations were released on 11 January 2021, which confirms the Council's provisional allocation is in the region of £3.3 million. This will be offset by increased

costs of providing local council tax support. If final allocations are less than the amounts assumed in the MTFS, then the council would need to identify additional efficiencies to meet any budget deficit.

- 7.27 The Government have also announced that there would be a freeze on the business rates multiplier for 2021-2022 and local authorities will be compensated for the shortfall in income via a section 31 grant.
- 7.28 The MTFS assumptions have been updated to reflect the potential resources available to the Council over the medium term period as a result of the announcements above.

#### **Social Care Grants**

- 7.29 On 20 January 2021, Cabinet were informed that the Government had announced that additional grant funding totalling £300 million would be made available to local authorities in 2021-2022 for adult and children's social care. The final settlement, due to be debated on 10 February confirms the Council's allocation at £2.7 million for 2021-2022.
- 7.30 In addition to this, the Government have also confirmed the roll forward of the 2019-2020 Social Care Support, Winter Pressures and the Improved Better Care Fund grants. The Council's final allocations total £23.0 million, this is in line with the current assumptions built into the MTFS.

#### **Covid-19 Grants**

- 7.31 During 2020-2021 the Government have allocated a number of grants to help local authorities address the pressures they are facing in response to the ongoing Covid-19 pandemic. During 2020-2021 the Council has received four tranches of the Covid Emergency Grant Funding totalling £25.5 million. The provisional settlement announced a further tranche of funding for 2021-2022 to deal with the cost pressures during the first three months of 2021-2022. The provisional settlement confirms the Council's provisional allocation is £8.7 million. This grant allocation and corresponding Covid-19 cost pressures have been reflected in the 2021-2022 budget.
- 7.32 In 2020-2021, Government also announced a co-payment mechanism for irrecoverable sales, fees and charges income. The provisional settlement announced that this scheme will continue for the first three months of 2021-2022. The actual amount is not known and will depend on actual income losses and be subject to a grant claim. At this stage, an assumption has been made on the potential cost pressures the Council will face and irrecoverable income payment that may be received; this has been reflected in the MTFS.
- 7.33 As detailed above, it is difficult to forecast the impact that the Covid-19 pandemic will have over the medium term, however assumptions have been made on loss of income due to sales, fees and charges for the first three months of 2021-2022, in line with the provision of Government grant support. In addition, cost pressures have been reflected for a longer term period in order to be prudent. The Government have stated that they will keep the impact on local authorities under review. If final allocations are less than the

amounts assumed in the MTFS, then the council would need to identify additional efficiencies to meet any budget deficit

## **8.0 Council Tax and Local Council Tax Support Scheme**

- 8.1 The Council Tax Base and NDR (Business Rates) Net Rate Yield 2021-2022 report was presented to Cabinet on 20 January 2021. Cabinet approved the council tax base for 2021-2022 at 63,580.55 Band D equivalent properties. This is a reduction in the council tax base when compared to 2020-2021, however it assumes a continued trajectory on Local Council Tax Support claimants, lower collection rates and reprofiling in housing growth assumptions.
- 8.2 In the provisional settlement, the Government announced £1 billion of additional funding to support social care. This includes £300 million of new grant (as detailed in section 7.29), and an increase in the Adult Social Care (ASC) precept flexibility that local authorities can levy from 2% to 3%. This is in addition to the council tax referendum limit and is to be used for adult social care only. Further to this, in the provisional settlement the Government confirmed the council tax referendum limit at 2%. This would therefore enable the Council to increase Council Tax by a maximum of 4.99% in 2021-2022; the sum of 1.99% council tax plus the 3% adult social care precept. When Government calculates how much money they give to councils, their expectation is that we will raise council tax by the maximum amount possible – 1.99%, as well as the additional 3% levy to fund adult social care. Not doing so would mean making more cuts to essential services and being unable to deliver on residents' priorities.
- 8.3 Taking account of the above, this report recommends an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 3%, totalling 4.99%.
- 8.4 The resulting impact on the level of the Council element of Council Tax for a Band D property in 2021-2022 is detailed in the table below, whilst details of the impact on all bands can be found in Appendix 3.

**Table 1 – Council element of Council Tax for Band D Property in Wolverhampton**

<b>Band D</b>	<b>£</b>
2020-2021 Council Element of Council Tax (including adult social care)	1,681.58
1.99% increase	33.46
3% Adult Social Care Precept	50.45
	<b>1,765.49</b>

- 8.5 It is projected that income from Council Tax will rise in subsequent years, based upon the latest collection rates and tax base. Projections in the MTFS assume that Council Tax will continue to increase by 1.99% in each financial year, whilst the tax base is anticipated to rise by 1%. The MTFS also assumes that the Government will no longer allow local

authorities with adult social care responsibilities to raise additional funds via the adult social care precept above the amount already built into the MTFS.

### **Council Tax Support Scheme**

- 8.6 Since the abolition of the national council tax benefit scheme in 2013, the Council has been responsible for designing its own scheme of council tax support.
- 8.7 On 11 November 2020, Cabinet (Resources) Panel approved proposals to revise the scheme subject to consultation with the West Midlands Combined Authority and the Fire and Police precepting bodies. Consultation has now taken place and it is recommended that Cabinet approve the changes to the Council Tax Support scheme for 2021-2022, as detailed below:
- to allow claimants who are living in temporary accommodation, where the Council has made the accommodation available to the renter, to have an award of council tax support from the start of their accommodation regardless of the date of application;
  - to bring forward the date a council tax support claim is paid, to Universal Credit Claimants, to the date of their Universal Claim.
- 8.8 Risk Based Verification (RBV) was adopted by the Council in 2012, as a method of applying different levels of checks, according to the risk of fraud and/or error, to support the assessment of new Housing Benefit and Council Tax Support claims to:
- improve processing times
  - target resources more effectively, and
  - enable a shortened processing time for those claims determined as low risk
- 8.9 Since 2012, there has been continued improvement in the way the Council obtain and verify information, which has reduced the onus on the customer to provide evidence.
- 8.10 The current RBV system provider has announced that they are no longer supporting the product. It is therefore proposed that Cabinet approve that the external provider of Risk Based Verification (RBV) is no longer beneficial to the service and that the Council cease to operate the external RBV system from 31 March 2021, using an in-house RBV approach to the verification of new Housing Benefit and Council Tax Support claims.

### **9.0 Budget Risk**

- 9.1 The table below provides a summary of the risks associated with the Medium Term Financial Strategy, using the corporate risk management methodology. The overall level of risk associated with the 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024 is assessed as Red.

**Table 2 – General Fund Budget Risks 2021-2022 to 2023-2024**

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for statutory services outstretching the available resources. This particularly applies to adults and childrens social care.	Red
	Risks that might materialise as a result of demands for non-statutory services outstretching the available resources.	Amber
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Reduction in Income and Funding	Risks that might materialise as a result of the multi-year Spending Review, 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.	Amber

	The risk of successful appeals against business rates.	
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 Updated Budget and Medium Term Financial Strategy

### 2021-2022 Budget

- 10.1 The net budget requirement for 2021-2022 for the General Fund Services is £258.5 million. In the opinion of the Director of Finance (Section 151 Officer) the 2021-2022 budget estimates are robust. The Council's proposed budget for 2021-2022 does not require the use of general reserves in order set a balanced budget.
- 10.2 The Council's proposed budget for 2021-2022 is shown at Table 3.

**Table 3 – Draft 2021-2022 Controllable Budget**

Division	2021-2022 Draft Net Controllable Budget £000
Adult Services	71,747
Children's Services	52,342
Chief Executive	187
City Assets and Housing	10,448
City Environment	30,305
Corporate Accounts	50,710

<b>Division</b>	<b>2021-2022 Draft Net Controllable Budget £000</b>
Communications	898
Deputy Chief Executive	454
Education and Skills	1,339
Finance	14,432
Governance	9,235
Public Health & Wellbeing	1,481
Regeneration	6,503
Strategy	8,416
<b>Total Net Budget Requirement</b>	<b>258,497</b>

### **Medium Term Financial Strategy**

- 10.3 Table 4 details the MTFS projections for the period to 2023-2024. It incorporates extensive budget preparation work that has been ongoing in recent months for the period up to 2023-2024, in addition to those adjustments arising as a result of changes in assumptions, as detailed in this report and corresponding appendices.
- 10.4 The table details incremental changes to forecast expenditure, starting from the base position of the 2020-2021 budget. The forecast expenditure is then compared with anticipated resources available to arrive at the projected deficit.
- 10.5 The Council is now faced with finding further projected budget reductions estimated at £25.4 million in 2022-2023, rising to £29.6 million over the medium-term period to 2023-2024. Work to develop budget reduction and income generation proposals for 2022-2023 onwards in line with the Five Year Financial Strategy will continue.
- 10.6 Due to the uncertainty the Council currently faces, it is particularly challenging to establish a MTFS beyond 2021-2022. Expenditure forecasts include estimates of growth in various areas, including in social care due to demand and the rising costs of services. These estimates will continue to be reviewed in light of the ongoing Covid-19 pandemic on service provision. Any change to these estimates could have a significant impact on the forecast budget deficit over the medium term.
- 10.7 A number of assumptions have been made with regards to the level of resources that will be available to the Council as detailed above. It is important to note that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities over the forthcoming multi-year Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. The current assumptions in respect to grants and tax raised locally are detailed above. 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.

- 10.8 It is proposed an update on progress on tackling the projected deficit is reported to Cabinet in July 2021.
- 10.9 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction, income generation and financial transaction proposals amounting to £4.3 million over the three-year period from 2021-2022 to 2023-2024. Having identified budget reductions in excess of £235.0 million over the last ten financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.

**Table 4 – Medium Term Financial Strategy 2021-2022 to 2023-2024**

	2021-2022 £000	2022-2023 £000	2023-2024 £000
<b>Previous Years Net Budget Brought Forward</b>	248,223	258,497	272,625
<b>Increasing / (Decreasing) Cost Pressures</b>			
- Pay Related Pressures	3,774	5,249	5,426
- Treasury Management	21	3,879	1,000
- Budget Growth	12,548	716	4,877
- Budget Reduction, Income Generation & Financial Transactions	(4,949)	3,164	(2,530)
- Net Impact on changes to specific grants	(1,120)	1,120	-
<b>Net Budget (Before Use of Resources)</b>	<b>258,497</b>	<b>272,625</b>	<b>281,398</b>
<b>Projected Corporate Resources</b>			
- Council Tax (including Adult Social Care Precept)	(112,251)	(115,560)	(119,039)
- Enterprise Zone Business Rates	(1,530)	(1,490)	(1,450)
- Top Up Grant	(26,702)	(26,702)	(26,702)
- Business Rates (net of WMCA growth payment)	(67,477)	(68,514)	(69,905)
- New Homes Bonus	(1,017)	(265)	-
- Section 31 Grant – Business Rates support	(11,468)	(11,468)	(11,468)
- Council Tax Support Grant	(3,297)	-	-
- Collection Fund (CF) Deficit 2019-2020	1,745	-	-
- Collection Fund Deficit 2020-2021 (spread over 3 years)	4,671	4,671	4,671
- Irrecoverable CF Losses Grant (spread over 3 years)	(2,233)	(2,233)	(2,233)
- One-off funding streams to offset Collection Fund Deficit	(4,064)	-	-
- Improved Better Care Fund and Social Care Grants	(23,016)	(23,016)	(23,016)
- Social Care Grant 2021-2022	(2,697)	(2,697)	(2,697)
- Covid-19 Emergency Grant Funding	(8,707)	-	-
- Lower Tier Services Grant	(454)	-	-
<b>Projected Budget Annual Change in Budget Deficit / (Surplus)</b>	<b>(258,497)</b>	<b>(247,274)</b>	<b>(251,839)</b>
<b>Projected Cumulative Budget Deficit</b>	<b>-</b>	<b>25,351</b>	<b>4,208</b>

10.10 As detailed in paragraphs 2.6 and 3.6, Covid-19 has significantly distorted the budget and it is difficult to project the exact cost implications of the pandemic. However, current assumptions, after taking into account the grants specifically for Covid-19, estimate that the net impact of the pandemic is in the region of £6.4 million. Table 5 below takes those proposals which are listed under to corporate resources, budget growth and inflation, and budget reduction targets as detailed in Appendix 1, which are as a result of the pandemic as detailed in the table below.

**Table 5 – Changes in the Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024**

	<b>2021-2022</b> <b>£000</b>
<b>Projected Budget Challenge as at February 2020</b>	<b>15,531</b>
<b>Net Changes to Corporate Resources</b>	<b>(12,550)</b>
<b>Changes to Growth and Inflation</b>	
- Budget growth and inflation	1,769
- Efficiencies and new proposals	(14,386)
- Revisions to budget reduction targets	3,245
- Net impact of Covid	6,391
<b>Annual Change</b>	<b>(2,981)</b>
<b>Projected deficit after revisions</b>	<b>-</b>

## **11.0 Update on Reserves**

- 11.1 Due to the projected financial challenges facing the Council over the medium term, combined with the budget risks, reserves should only be called on in very specific circumstances and are not a viable funding option to reduce the projected budget deficit over either the short or longer term.
- 11.2 The Council's General Fund Balance stands at £13 million. The level of reserve is approximately 5% of the 2021-2022 net budget which is in line with recommended best practice. As detailed in paragraph 10.1 the Council is able to set a balanced budget for 2021-2022 without the use of General Fund Reserves.
- 11.3 Emphasis continues to be placed on identifying budget reduction and income generation proposals to meet the potential budget deficit over the medium term as detailed in Table 4 without calling on general reserves.
- 11.4 Specific reserves represent monies set aside by the Council to fund future expenditure plans. In the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial

year. Consideration has been given to the movement in the levels of reserves over the last few years, the anticipated future drawdown of specific reserves and the level of Corporate Specific Reserves as detailed below in addition to the General Fund Balance stated above).

- 11.5 The table below details the level of the specific reserves held by the Council at 31 March 2020 and the anticipated balances at 31 March 2021. In addition, there are other specific reserves which are administered by the Council but that have a specific criteria for allocation.

**Table 6 – Specific Reserves by Division**

Division	Actual Balance as at 1 April 2020 £000	Forecast Net Use/(Contribution) 2020-2021 £000	Forecast Balance as at 31 March 2021 £000
Adult Services	(1,200)	600	(600)
Children's Services	(196)	3	(193)
City Assets and Housing	(125)	72	(53)
City Environment	(750)	44	(706)
Corporate	(29,025)	5,153	(23,872)
Finance	(2,447)	200	(2,247)
Governance	-	(190)	(190)
Public Health	(4)	-	(4)
Regeneration	(1,610)	688	(922)
<b>Total</b>	<b>(35,357)</b>	<b>6,570</b>	<b>(28,787)</b>

- 11.6 The main Corporate Reserves set out in the table below, and included in the overall Corporate total in the table above include the reserves which are specifically set aside to provide capacity for developments to enable financial sustainability.

**Table 7 – Main Corporate Reserves**

Corporate Reserves	Actual Balance as at 1 April 2020 £000	Forecast Net Use/(Contribution) 2020-2021 £000	Forecast Balance as at 31 March 2021 £000
Efficiency Reserve	(5,393)	475	(4,918)
Budget Strategy Reserve	(7,569)	-	(7,569)
Transformation Reserve	(1,756)	693	(1,063)
Budget Contingency Reserve	(3,571)	188	(3,383)
<b>Total</b>	<b>(18,289)</b>	<b>1,356</b>	<b>(16,933)</b>

## **12.0 Funding Formula for Schools**

- 12.1 In April 2018, a new national schools funding formula was implemented, and 2018-2019 was the first year of a transitional period of implementation of a National Funding Formula (NFF) for schools.
- 12.2 2021-2022 is a continuation of this implementation period and Local Authorities are still required to set a local funding formula. In December 2020, the Department for Education announced the Schools Block DSG allocation for 2021-2022.
- 12.3 The agreed local funding formula for 2020-2021 fully adopted the same factors as the National Funding Formula. Schools' forum received and approved a report in January 2021 stating that this was again affordable within allocations for 2021-2022.
- 12.4 In line with the Schools Revenue Funding 2020-2021 Operational Guidance, delegation of authority to the Cabinet Member for Resources and Cabinet Member for Education and Skills, in consultation with the Director of Finance and Director of Children's and Adult Services is sought to approve proposed changes to local funding formula including method, principles and rules adopted.

## **13.0 Evaluation of alternative options**

- 13.1 In determining the proposed 2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would need to be identified in order for the Council to set a balanced budget for 2021-2022.

## **14.0 Reasons for decisions**

- 14.1 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

## **15.0 Financial implications**

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

[MH/09022021/Z]

## **16.0 Legal implications**

- 16.1 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.

- 16.2 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.
- 16.3 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.
- 16.4 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).
- 16.5 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.
- 16.6 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.
- 16.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2021-2022.

[TS/08022021/R]

## **17.0 Equalities implications**

- 17.1 The council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives.

- 17.2 It is important to note, that this report provides a cumulative equality analyses response to the council's efficiency proposals set out within this report.
- 17.3 In the body of the report, we refer to efficiency proposals that are being put forward for approval and as such, those discussed here, in the large majority of cases, at this stage, there are no equality impact concerns.
- 17.4 This is a strategic analysis only. It will therefore be necessary to bring forward detailed proposals for each savings options, and where proposals are not yet complete and/ or, as more specific details of budget reduction and efficiency saving proposals emerge, (which do have an equality impact) each option will then be subject to a full equality analysis. It is only then we can identify with possible disproportionate impacts in relation to groups with protected characteristics. The EIA's will look to address potential mitigation where applicable and undertake specific consultation where required.
- 17.5 Where specific proposals are not yet complete, they will be dealt with via separate reports.
- 17.6 In conclusion, the council continues to make every effort to protect the most vulnerable as far as possible and respond to its duties under the Equality Act 2010. However, this strategic EIA recognises the significant challenge which the financial position presents for Wolverhampton. We will maintain a strong commitment to equality and ensure that EIA's undertaken at each savings proposal helps us to arrive at an informed decisions and to make the best judgement about how to target our resources effectively and fairly.
- 17.7 Councillors must continue to have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions. By considering the equalities evidence contained in the analysis above, in tandem with this report, Councillors will be in a position to comply with the requirements of the Duty and Act as well as their wider responsibilities in terms of setting a budget

## **18.0 All other Implications**

- 18.1 The Covid implications are detailed in the body of the report.
- 18.2 Any human resource implications will be managed in accordance with the Councils HR polices and processes.

## **19.0 Schedule of background papers**

- 19.1 [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
- 19.2 [2020-2021 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024](#), report to Cabinet on 29 July 2020.
- 19.3 [2020-2021 Budget and Medium Term Financial Strategy 2020-2021 to 2023-2024](#), report to Cabinet on 11 November 2020

19.4 [Council Tax Base, and Business Rate \(NNDR\), Net Rate Yield 2021-2022, Provisional Local Government Finance Settlement Update and Outcome of Scrutiny Review](#), report to Cabinet on 20 January 2021

19.5 [Collection Fund Estimated Out-turn 2020-2021](#), report to Cabinet on 20 January 2021.

## **20.0 Appendices**

- 20.1 Appendix 1 - Medium Term Financial Strategy 2021-2022 to 2022-2024– Update on Key Assumptions
- 20.2 Appendix 2 - Budget Preparation Parameters
- 20.3 Appendix 3 - Council Element of Council Tax for 2021-2022 per Band
- 20.4 Appendix 4 - Collection Fund Estimated Outturn 2020-2021

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## APPENDIX 1

### Medium Term Financial Strategy 2021-2022 to 2023-2024 – Update on Key Assumptions

#### 1.0 Introduction

- 1.1 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy remain under constant review and update. The body of the report highlights the main assumptions that underpin the MTFS. The following paragraphs provide further detail of updated assumptions in a number of areas.

#### Budget Growth and Pressures/Changes to Growth and Inflation Pay Related Pressures

- 1.2 Detailed work has been undertaken to assess the likely impact of the National Living Wage, increments, proposed levels of pay award, increases in employer's National Insurance contributions, employer's pension contributions and auto-enrolment. The projected budget adjustments arising from the combined pay related pressures is detailed in Table 1, with further analysis provided in the paragraphs below.

**Table 1 – Pay Related Pressures**

	2021-2022 £000	2022-2023 £000	2023-2024 £000
Pay Award, Employers Pension, National Insurance and Annual Increments	3,774	5,249	5,426

#### Pay Award

- 1.3 As detailed in paragraphs 7.7 to 7.9 of the report, it is proposed that a pay award contingency totalling £1.4 million is held in a Corporate Contingency in the 2021-2022 budget, this would equate to a 1% pay award.

#### Employer's Pension Payments

- 1.4 In 2019-2020, the Council in the context of its role as a participating employer within the West Midlands Pension Fund (the Fund), was subject to a triennial actuarial review which set the employer pension contribution requirements over the period from 2020-2021 to 2022-2023. Following confirmation of payment arrangements with the Fund in February 2020, it is intended that the Council will make an annual payment in April of each year for the future services contributions in order to reduce the total costs and secure budget reductions. This is reflected in the budget forecasts in this report.
- 1.5 In accordance with delegated authority, the Cabinet Member for Resources in consultation with the Director of Finance will continue to consider further opportunities to accelerate contribution payments to secure additional budget reductions.

### **Other Pay Costs**

- 1.6 Further to this, detailed work has been undertaken to assess the likely impact of Auto Enrolment, employer's National Insurance contributions and incremental increases.

### **Budget Pressures**

- 1.7 Table 2 below details budget growth that has been incorporated into the MTFS.

**Table 2 – Budget Pressures**

	2021-2022 £000	2022-2023 £000	2023-2024 £000
Inflationary Pressures	2,706	2,626	2,627
Demographic and Demand Pressures	9,842	(1,910)	2,250
Total	12,548	716	4,877

- 1.8 Inflationary pressures include: utilities, the impact of the increases in the National Living Wage (NLW) in relation to external contracts and cost pressures within the Waste and Recycling Service.
- 1.9 In paragraphs 7.10 to 7.14 of the report, a number of key budget pressures in Adult Services, Housing and Finance, City Environment and Children's Services are discussed in more detail.
- 1.10 A full list of the changes to budget growth and emerging budget pressures that have been reflected in the draft budget and MTFS, in order to be prudent, is provided in the table below:

**Table 3 – Budget Pressures**

	2021-2022 £000	2022-2023 £000	2023-2024 £000
Adult Services pressures	2,000	-	-
Housing – temporary accommodation – impact on housing and housing benefit subsidy grant	1,160	-	-
Relighting Our City	510	-	-
Tree Maintenance	469	-	-
Multi Agency Safeguarding Hub/Advanced Mental Health Practitioner	136	-	-
Communications – city marketing funded by income generation as identified in Table 4	100	-	-
Finance	56	-	-
Education	60	-	-
Policy and Strategy	108	-	-
City Environment – Markets	180	-	-
City Environment – Waste Services	500	-	-
Children's Services – reduction in growth	(700)	-	-
Pay award – reduction in forecast following Spending Review announcement	(1,000)	(250)	(250)

Corporate contingency for Corporate Landlord/pay related adjustments	(1,300)	-	-
<b>Total</b>	<b>2,279</b>	<b>(250)</b>	<b>(250)</b>

- 1.11 In addition to this, the MTFS has been updated to reflect the forecast treasury management budget requirement over the medium term.

### **Efficiencies**

- 1.12 As part of the detailed budget review, a number of efficiencies have been identified for 2021-2022 and future years. Corporate budget efficiencies in 2021-2022 have been identified, as detailed in paragraph 7.15, of the report and shown in the table below.
- 1.13 In addition to this, new efficiencies across directorates have been identified for 2021-2022 totalling £2.1 million. These efficiencies and their impact across financial years are also listed in full in the table below

**Table 4 –Efficiencies**

	2021- 2022 £000	2022- 2023 £000	2023- 2024 £000
Underspends from 2020-2021 reported at Q2 on 9 December 2020	(2,164)	2,164	-
Reduction in use of corporate contingencies in 2020-2021	(1,950)	1,950	-
Targeted underspends from 2020-2021 (As outlined in the Budget Report to Cabinet on 11 November 2020)	(1,000)	1,000	-
Treasury Management - rephasing	(4,500)	3,500	1,000
Efficiencies across corporate budgets	(2,700)	45	-
Use of Revenues and Benefits Strategy Reserve	-	(2,000)	2,000
Children's Services – one-off underspend on Deprivation of Liberty Safeguards	(230)	230	-
Children's Services – efficiencies in family support budgets for Children's Social Care due to improved budget management processes	(150)	150	-
City Environment – Network Management	(200)	-	-
Children's Services – Intensive Family Support efficiencies	(50)	-	-
Children's Services – Director of Children's Services efficiencies	(250)	-	-
Finance budget efficiencies including bank charges and enhanced pension budget reductions	(300)	-	-
Public Health - general fund efficiencies	(62)	-	-
Communications - sponsorship events / income generation web services	(28)	-	-
Communications - income generation from digital signs (offset by expenditure above)	(100)	-	-
Governance - income from external legal / reduction in external costs	(159)	-	-
City Environment - additional income from purple bins	(100)	-	-
City Environment - fleet efficiencies	(100)	-	-

	2021- 2022	2022- 2023	2023- 2024
	£000	£000	£000
City Assets - Asset Management	(120)	120	-
City Assets - Facilities Management	(53)	-	-
Regeneration efficiencies	(170)	-	-
<b>Total</b>	<b>(14,386)</b>	<b>7,159</b>	<b>3,000</b>

### Re-profiled Savings

- 1.14 As reported to Cabinet in November 2020, in depth reviews have been undertaken on existing budget reduction and income generation proposals. This has been particularly important in light of the Covid-19 pandemic and changes to the environment in which we currently operate. It has been determined that £4.4 million of savings will not be delivered in 2021-2022 as originally planned. More details can be found in paragraph 7.17 to 7.19 of the report.
- 1.15 The table below provides a list of the financial impact of the proposed revisions.

**Table 5 – Revisions to Savings Proposals**

	2021-2022 £000	2022-2023 £000	2023-2024 £000
<b>Re-phasing of proposals</b>			
- Staff Terms and Conditions	1,200	(1,200)	-
- Delivering Independent Travel	315	(315)	-
- Wolves at Work	400	(400)	-
- Regeneration Efficiencies	350	-	(350)
<b>Revisions – Deletion of budget reduction proposals</b>			
- WV Active Business Model Review	650	200	300
- Depot Review	500	-	-
- City Environment Energy from Waste contract	150	-	-
- Customer Services	150	500	-
- Adult Social Care – 2020-2021 target	450	-	-
- Efficiencies through contract procurement	250	-	-
- Adult Education	30	-	-
<b>Revised total</b>	<b>4,445</b>	<b>(1,215)</b>	<b>(50)</b>

- 1.16 Following in-depth reviews of the budget reduction proposals, it is proposed that these changes be reflected in the Council's medium term financial strategy in order to be

prudent. This is largely as a result of increases in demand for service provision and redirection of employee resources linked to the ongoing Covid-19 pandemic.

### **Corporate Resources**

- 1.17 As detailed in paragraphs 7.20 to 7.22 of the report, recent Government announcements have provided some clarity for the forthcoming financial year; however, the Council continues to face significant uncertainty over the medium term, and it is particularly challenging to establish a medium term financial strategy beyond 2021-2022. A number of assumptions have been made on the level of resources that will be available to the Council.
- 1.18 On 20 October 2020, HM Treasury confirmed that a one-year Spending Review would take place at the end of November 2020 in order to prioritise the Government response to Covid-19. Further to this, as detailed in section 6 of the report, on 17 December 2020 the Government announced the provisional local government finance settlement; details of this were reported to Councillors in January 2021. On 4 February 2021, a written statement on the Final Local Government Finance Settlement 2021-2022 was published, it is anticipated that the final settlement will be debated in the House of Commons on 10 February 2021. The changes in resources assumptions arising as a result of the announcements and the detailed work that has been ongoing is detailed in the paragraphs below.

### **Collection Fund Estimated Outturn**

- 1.19 Further details regarding the assumptions made on the Collection Fund estimated outturn and corresponding Government announcements can be found in paragraphs 7.23 to 7.28 in the report, whilst the table below provides details of the collection fund deficit that will be retained by the Council.

**Table 7 – Retained Element of Collection Fund Deficit**

Elements of Collection Fund	Deficit	Retained	Retained Deficit
	£000	%	£000
Council Tax	7,759	88.3%	6,848
Business Rates	9,002	99.0%	8,912
<b>Total</b>	<b>16,761</b>		<b>15,760</b>

- 1.20 Due to collection fund accounting treatment, any Collection Fund losses from 2020-2021 will not impact upon the Council's budget until 2021-2022.
- 1.21 Furthermore, in the Spending Review 2020, £762 million of funding was announced to compensate local authorities for 75% of irrecoverable losses from council tax and business rates revenues in 2020-2021, that would otherwise need to be funded through

local authority budgets in 2021-2022 and later years. Based on the in-year collection fund estimated outturn, it is forecast that this compensation could be in the region of £2.2 million annually from 2021-2022 to 2023-2024. If final allocations are less than the amounts assumed in the MTFS, then the Council would need to identify additional efficiencies to meet any budget deficit.

- 1.22 In November 2020, it was 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. In addition to this, following a review of the anticipated level of reserves and grant balances, it is proposed that historic business rates reconciliation grant balances totalling £2.5 million be released to also address some of the pressures.

### **Business Rates**

- 1.23 The National Non-Domestic Rates Return 1 (NNDR1) was compiled and returned to the Ministry for Housing, Communities and Local Government (MHCLG) by the deadline of 31 January 2021. In October 2016, Cabinet approved that the City of Wolverhampton Council, as one of the Constituent Members of the West Midlands Combined Authority (WMCA), will participate in a business rates retention pilot from April 2017, on a no financial detriment basis. The continuation of this arrangement to 2021-2022 was confirmed in the provisional settlement in December 2020. As a result of entering into this pilot, the Council will retain 99% of the business rates but no longer receive Revenue Support Grant and instead receive a Top Up Grant adjustment to account for the net effect of the changes.
- 1.24 On 20 January 2021, Cabinet approved the Collection Fund Business Rates Net Yield for 2021-2022 at £68.9 million. Of the £68.9 million net rate yielded by business rates forecast to be collected in 2021-2022 the Council would retain in the region of £68.2 million under the 99% business rate retention scheme pilot. The estimate of net rates payable in 2021-2022 assumes continued pressure on business rates collection, including the potential for further business rates appeals.
- 1.25 There are a number of Business Rates policies that the Government have stipulated for which the Council is reimbursed through Section 31 of the Local Government Act 2003. This includes compensation for a freeze on the business rates multiplier in 2021-2022. Overall, Section 31 grant income for business rates policies totalling £11.5 million is projected for 2021-2022 based upon the NNDR1 form returned to MHCLG by 31 January 2021.
- 1.26 On 3 February 2021, the Financial Secretary to the Treasury made a written ministerial statement to Parliament in which it asked local authorities to consider the timing of business rate billing pending the Budget Statement on 3 March 2021. The Budget is expected to provide an update on the next phase of plans to tackle the pandemic, protect jobs and support business.

- 1.27 One part of the West Midlands Devolution Deal included the WMCA receiving the real terms growth in the central share of business rates, which came into effect from 1 April 2016 onwards. This was the share that was previously held by central government.
- 1.28 There is some complexity in identifying the true business rates growth between years due to business rates appeals and the 2017 revaluation, however an approach to allocate the growth in the central share for 2017-2018 to 2020-2021 has been agreed with the WMCA. The assumed growth of £7.5 million attributable to the WMCA in 2020-2021, in line with the Investment Plan assumptions, has been apportioned for each authority pro rata to the aggregate Rateable Value at the start of the year, resulting in a contribution from Wolverhampton in the region of £564,000 (in 2019-2020 the contribution was £450,000).
- 1.29 The basis for growth assumptions and distribution for 2021-2022 has yet to be agreed, in light of the ongoing Covid-19 pandemic and the impact on business rates collection. It is therefore proposed that Cabinet delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the calculation and allocation of growth in the central share for 2021-2022 and future years to be passported to the WMCA.
- 1.30 It is important to note, in order to be prudent, the current level of business rates retention (99%) for the Council has been assumed over the medium term period to 2023-2024, with only inflationary growth in the business rates multiplier assumed in the MTFS.
- 1.31 It is envisaged that the Fair Funding Review and Business Rates Retention reforms will be addressed as part of a multi-year Spending Review, at such point that is announced. The Government aim to move to 75% business rate retention for all local authorities. Levels of funding will therefore change if this proposal is realised, however a corresponding adjustment against the level of Top Up grant will also be realised.

### **Council Tax**

- 1.32 In January 2021, Cabinet approved the council tax base for 2021-2022 at 63,580.55 Band D equivalent properties. Section 8 in the report provides further details on Government announcements regarding council tax and the adult social care precept.
- 1.33 The report recommends an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 3%, totalling 4.99%. This would result in a council tax for council services in 2021-2022 of £1,765.49 for a Band D property in Wolverhampton. When Government calculates how much money they give to councils, their expectation is that we will raise council tax by the maximum amount possible – 1.99%, as well as the additional 3% levy to fund adult social care. Not doing so would mean making more cuts to essential services and being unable to deliver on residents' priorities.

### **Grants**

- 1.34 Paragraphs 7.29 to 7.33 in the report provide further details on grant funding for Social Care and Covid-19, announced as part of the provisional settlement for 2021-2022.

### **Lower Tier Services Grant**

- 1.35 The Government have also announced a new Lower Tier Services grant to local authorities responsible for delivering lower tier services, such as council tax collection, building regulations, parking, housing services, environmental health, recreation and refuse collection. The Council's provisional allocation is £454,000. It is anticipated at this stage that this grant will only be available in 2021-2022.

### **New Homes Bonus**

- 1.36 The Government have announced the continuation of the New Homes Bonus scheme for a further year with no new legacy payments.
- 1.37 The Council's provisional allocation for 2021-2022 has been announced at £1.017 million, which includes an additional £449,000 for 2021-2022. The MTFS did not assume any additional New Homes Bonus being awarded for growth from 2021-2022 onwards therefore the £449,000 allocation represents additional income to the budget for 2021-2022.

### **Top Up Grant**

- 1.38 As detailed above, the Council is part of the West Midlands pilot for 100% business rates retention and will therefore continue to no longer receive Revenue Support Grant but receive an amended Top Up Grant to reflect the business rates retention model. Top Up Grant for 2021-2022 has been uplifted by inflation, this is an increase of £124,000, above current the assumptions previously built into the MTFS, this takes the 2021-2022 allocation to £26.7 million. The MTFS assumes the continuation of grant at this level for future years to 2023-2024.

### **Section 31 Grant – Business Rates Retention**

- 1.39 Section 31 Grant compensates the Council for an element of mandatory business rates reliefs and the cap on inflationary increases on the business rates multiplier. Section 31 grant income totalling £11.5 million is projected for 2021-2022 based upon the NNDR1 form returned to MHCLG by 31 January 2021.
- 1.40 The MTFS currently assumes that this grant will continue at the 2021-2022 level over the medium term period to 2023-2024.

### **Capital Receipts Flexibilities and Other One-Off Funding Sources**

- 1.41 In 2016-2017 the Government allowed councils to use new capital receipts from April 2016 to March 2019 to pay for transformation work that is designed to make revenue savings. The provisional settlement 2018 announced the continuation of this flexibility for a further three years.

- 1.42 On 16 January 2018, Cabinet (Resources) Panel approved that capital receipts flexibilities are utilised beyond 2018-2019 to enable further transformation of services to deliver efficiencies.
- 1.43 On 31 July 2019, Cabinet approved the draft budget strategy which included capital receipts and other one-off funding sources totalling £5 million in 2021-2022 respectively.
- 1.44 The Capital Programme, as presented to Councillors for approval at this meeting, includes assumptions about the level of capital receipts to be generated in 2021-2022 and the use of capital receipts to pay for revenue costs of transformational projects that are designed to make revenue budget reductions. This is also reflected in the MTFS.
- 1.45 Throughout the year, capital receipts generated will be reviewed and assessed to ensure that capital receipts are applied in the most effective way.
- 1.46 The overall impact of the revisions to the Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, arising as result of the items detailed in the paragraphs above, have been reflected in the table below.

**Table 9 - Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024**

	2021-2022 £000	2022-2023 £000	2023-2024 £000
<b>Previous Years Net Budget Brought Forward</b>	248,223	258,497	272,625
<b>Increasing / (Decreasing) Cost Pressures</b>			
- Pay Related Pressures	3,774	5,249	5,426
- Treasury Management	21	3,879	1,000
- Budget Growth	12,548	716	4,877
- Budget Reduction, Income Generation & Financial Transactions	(4,949)	3,164	(2,530)
- Net Impact on changes to specific grants	(1,120)	1,120	-
<b>Net Budget (Before Use of Resources)</b>	<b>258,497</b>	<b>272,625</b>	<b>281,398</b>
<b>Projected Corporate Resources</b>			
- Council Tax (including Adult Social Care Precept)	(112,251)	(115,560)	(119,039)
- Enterprise Zone Business Rates	(1,530)	(1,490)	(1,450)
- Top Up Grant	(26,702)	(26,702)	(26,702)
- Business Rates (net of WMCA growth payment)	(67,477)	(68,514)	(69,905)
- New Homes Bonus	(1,017)	(265)	-
- Section 31 Grant – Business Rates support	(11,468)	(11,468)	(11,468)
- Council Tax Support Grant	(3,297)	-	-
- Collection Fund (CF) Deficit 2019-2020	1,745	-	-
- Collection Fund Deficit 2020-2021 (spread over 3 years)	4,671	4,671	4,671

	2021-2022 £000	2022-2023 £000	2023-2024 £000
- Irrecoverable CF Losses Grant (spread over 3 years)	(2,233)	(2,233)	(2,233)
- One-off funding streams to offset Collection Fund Deficit	(4,064)	-	-
- Improved Better Care Fund and Social Care Grants	(23,016)	(23,016)	(23,016)
- Social Care Grant 2021-2022	(2,697)	(2,697)	(2,697)
- Covid-19 Emergency Grant Funding	(8,707)	-	-
- Lower Tier Services Grant	(454)	-	-
<b>Projected Budget Annual Change in Budget Deficit / (Surplus)</b>	<b>(258,497)</b>	<b>(247,274)</b>	<b>(251,839)</b>
<b>Projected Cumulative Budget Deficit</b>	<b>-</b>	<b>25,351</b>	<b>4,208</b>
		<b>25,351</b>	<b>29,559</b>

- 1.47 One-off grants have been provided to support the cost implications of the pandemic in 2020-2021, including £25.5 million of general Emergency Covid-19 funding. In addition, Councils can apply for funding to part fund the loss of non-commercial income. The Council has received £2.2 million to-date for losses for the period of April to July. Grant funding for the period of September to March is estimated to be in the region of £3.6 million, however, this will be subject to grant claims. 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 in 2020-2021. However, it is important to note, that the financial implications are subject to change and do not include the full cost of recovery work or any provision for changes in national or local restrictions.
- 1.48 As part of setting the 2021-2022 budget, the ongoing impact of the pandemic has been considered. Due to the distortion of the budget as mentioned in paragraph 2.6 of the report, it is difficult to confirm the exact costs directly associated with Covid-19. However, after taking into account the grants specifically for Covid-19, our current assumptions estimate that the net impact of the pandemic is in the region of £6.4 million as shown in Table 5 of the report. This cost pressure has been met from other efficiencies identified across the Council.
- 1.49 If the impact of the pandemic continues over prolonged period of time and additional Government funding is not forthcoming, the Council may need to make significant reductions to existing budgets and potentially make use of earmarked reserves in order to meet the costs of increased activity or loss of income. This would compromise the Council's ability to deliver its Relighting Our City plan and deliver its priorities. The financial implications of the pandemic have significantly distorted the budget and Medium

Term Financial Strategy. The ongoing impact will continue to be closely monitored, with updates provided in future reports.

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### Budget Preparation Parameters

The following key parameters have been reflected in the budget and medium term projections.

	2021-2022 Forecast Budget	2022-2023 Forecast Budget	2023-2024 Forecast Budget
Council Tax Annual Increase (Council element)	1.99%	1.99%	1.99%
Growth in Council Tax Base	1.0%	1.0%	1.0%
Adult Social Care Precept (Council element)	3.0%	0.0%	0.0%
Pay Awards	1.0%	2.0%	2.0%
Price Inflation (excl. Gas, Electricity and NNDR)	0.0%	0.0%	0.0%
Price Inflation (Gas)	5.0%	5.0%	5.0%
Price Inflation (Electricity)	5.0%	5.0%	5.0%
Price Inflation (NNDR)	0.5%	2.0%	2.0%
Borrowing Interest Rate (PWLB 25 year rate)	1.6%	1.7%	1.8%
Return on Investments	0.05%	0.05%	0.05%
NNDR Income Annual Increase	0.5%	2.0%	2.0%
Growth in NNDR Tax Base	0.0%	0.0%	0.0%

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**Forecast Council Element of Council Tax for 2021-2022 per Band**

Valuation Band (1 April 1991)	Values not exceeding £40,000	Values exceeding £40,000 but not exceeding £52,000	Values exceeding £52,000 but not exceeding £68,000	Values exceeding £68,000 but not exceeding £88,000	Values exceeding £88,000 but not exceeding £120,000	Values exceeding £120,000 but not exceeding £160,000	Values exceeding £160,000 but not exceeding £320,000	Values exceeding £320,000
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Council Tax 2020-2021 (Council element including 2020-2021 ASC precept)	1,121.05	1,307.90	1,494.73	1,681.58	2,055.26	2,428.95	2,802.63	3,363.16
1.99% increase in Council Tax	22.31	26.02	29.75	33.46	40.90	48.33	55.77	66.92
3% Adult Social Care Precept	33.64	39.24	44.85	50.45	61.66	72.87	84.09	100.90
<b>Council Tax 2021-2022 (Council element)</b>	<b>1,177.00</b>	<b>1,373.16</b>	<b>1,569.33</b>	<b>1,765.49</b>	<b>2,157.82</b>	<b>2,550.15</b>	<b>2,942.49</b>	<b>3,530.98</b>

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**Collection Fund Estimated Outturn 2020-2021**

**Forecast Council Tax Outturn 2020-2021**

	£000	£000
<b>Actual accumulated deficit at 1 April 2020</b>		532
<b>Apportionment of 2019-2020 estimated surplus calculated January 2020 (payments made during 2020-2021)</b>		
City of Wolverhampton Council	465	
West Midlands Police and Crime Commissioner	44	
West Midlands Fire and Rescue Authority	17	526
<b>Net deficit 2019-2020</b>		<b>1,058</b>
<b>Estimated income 2020-2021</b>		
Income from Council Tax	(122,361)	
<b>Total estimated income</b>		<b>(122,361)</b>
<b>Estimated expenditure 2020-2021</b>		
Demands on Collection Fund		
City of Wolverhampton Council	108,843	
West Midlands Police and Crime Commissioner	10,521	
West Midlands Fire and Rescue Authority	4,001	
Provision for non-collection of council tax	8,969	
		132,334
<b>Total estimated expenditure</b>		
Transfer linked to Hardship Fund grant for council tax relief		(3,272)
<b>Net estimated deficit 2020-2021 after Hardship Fund grant for council tax relief</b>		<b>6,701</b>
<b>Estimated accumulated deficit at 31 March 2021</b>		<b>7,759</b>

**Forecast Business Rates Outturn 2020-2021**

	£000	£000
<b>Actual accumulated deficit at 1 April 2020</b>		939
<b>Apportionment of 2019-2020 estimated surplus/deficit calculated as at January 2020 (payments made during 2020-2021)</b>		
City of Wolverhampton Council	140	
Central Government	(261)	
West Midlands Fire and Rescue Authority	(1)	(122)
<b>Net deficit 2019-2020</b>		<b>817</b>
<b>Estimated income 2020-2021</b>		
Income from Business Rates (NDR)	(43,545)	
Transitional Payment	(293)	
<b>Total estimated income</b>		<b>(43,838)</b>
<b>Estimated expenditure 2020-2021</b>		
Demands on Collection Fund		
City of Wolverhampton Council	74,025	
(including designated areas and renewable energy)	745	
West Midlands Fire and Rescue Authority	7,583	
Provision for non-collection of NDR (incl. appeals)	331	
Cost of Collection Allowance		82,684
<b>Total estimated expenditure</b>		
<b>Net estimated deficit 2020-2021 prior to compensation due for Covid-19 business rates reliefs</b>		<b>38,846</b>
Forecast compensation for Covid-19 business rates reliefs		(30,661)
<b>Net estimated deficit 2020-2021 after forecast compensation for Covid-19 business rates reliefs</b>		<b>8,185</b>
<b>Estimated accumulated deficit at 31 March 2021</b>		<b>9,002</b>

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 February 2021</b>
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<b>Report title</b>	Adult Social Care Annual Report: The Local Account 2019-2020		
<b>Decision designation</b>	AMBER		
<b>Cabinet member with lead responsibility</b>	Councillor Linda Leach Adults		
<b>Key decision</b>	Yes		
<b>In forward plan</b>	Yes		
<b>Wards affected</b>	All Wards		
<b>Accountable Director</b>	Emma Bennett, Director of Children's and Adult Services		
<b>Originating service</b>	Adult Social Care		
<b>Accountable employee</b>	Jennifer Rogers Tel Email	Interim Principal Social Worker 01902 555704 <a href="mailto:Jennifer.Rogers@wolverhampton.gov.uk">Jennifer.Rogers@wolverhampton.gov.uk</a>	
	Courtney Abbott Email	Advanced Practitioner for Quality and Improvement <a href="mailto:Courtney.abbott@wolverhampton.gov.uk">Courtney.abbott@wolverhampton.gov.uk</a>	
<b>Report has been considered by</b>	Adult Leadership Team Strategic Executive Board Adult and Safer City Scrutiny Panel	15 December 2020 06 January 2021 19 January 2021	

#### **Recommendation for decision:**

The Cabinet is recommended to:

1. Approve the Adult Social Care Local Account for 2019-2020 for publication.

#### **Recommendations for noting:**

The Cabinet is asked to note:

1. The comments of the Adult and Safer City Scrutiny Panel on the Adult Social Care Annual Report: The Local Account 2019-2020 (Appendix 1).
2. The proposed priorities for 2020-2021.

## **1.0 Purpose**

- 1.1 The purpose of the report is to seek Cabinet approval to publish Adult Social Care's annual report for 2019-2020, the Local Account (Appendix 2).
- 1.2 A copy of the minutes from the Adult and Safer City Scrutiny Panel which met on 19 January 2021 are attached to this report as Appendix 1.

## **2.0 Background**

- 2.1 Local Accounts form a key part of the *Towards Excellence in Adult Social Care* (TEASC) approach to sector led improvement in Adult Social Care as they provide a mechanism for achieving local accountability. TEASC is a national programme led by the Association of Directors of Adult Social Services (ADASS) and the Local Government Association (LGA). The ambition of TEASC is that excellent Adult Social Care services will be delivered locally, supported by a regional and national programme of sector led improvement, peer challenge and leadership support. Local Accounts are part of this programme as they enable councils to self-assess their performance, gather feedback on how they have done from people who have used services and set priorities for improvement. They are also seen as a way of demonstrating openness and transparency.
- 2.2 Although not mandatory, it is considered good practice for councils to produce and publish a Local Account every year.
- 2.3 The purpose of a Local Account is to:
  - Inform the public about the types of services that are available to help people to be as safe and independent as possible.
  - Inform the public about progress made against Adult Social Care's priorities for the year.
  - Compare local performance with regional and national figures.
  - Identify priorities for the year ahead.
- 2.4 The Local Account highlights challenges as well as successes and uses real life examples to showcase how social care intervention has positively impacted on the lives of people who access services. It also gives the Council the opportunity to be transparent about:
  - Complaints, including how quickly these are responded to and an example of how learning from a complaint has been put into practice to improve services for people.
  - Spending and how finances are distributed throughout Adult Social Care.
  - The number of people, including carers, who are supported by the Council.
- 2.5 It is general practice in most councils to structure the Local Account around the Adult Social Care Outcomes Framework (ASCOF). This framework is used nationally and locally to set priorities, measure progress and strengthen transparency and accountability in Adult Social Care. This is the approach used in Wolverhampton to measure performance in the Local Account because it enables meaningful comparisons to be

made with neighbouring authorities. It also provides an opportunity for measuring progress against Adult Social Care nationally.

- 2.6 The City of Wolverhampton's Local Account is organised under four main outcomes taken from ASCOF, as well as including a fifth outcome which considers value for money and use of resources:
- **Outcome One:**  
Enhancing the quality of life for people with care and support needs.
  - **Outcome Two:**  
Delaying and reducing the need for care and support.
  - **Outcome Three:**  
Making sure that people have a positive experience of care and support.
  - **Outcome Four:**  
Safeguarding adults whose circumstances make them vulnerable and protecting them from harm.
  - **Outcome Five:**  
Value for money, buying and use of resources.
- 2.7 The Adult Social Care Annual Report was presented to Adult and Safer City Scrutiny Panel on 19 January 2021. The meeting resolved:
- The Panel agreed to note the Adult Social Care Local Account for 2019-2020.
  - The comments of the Panel to be included in the report to Cabinet on 8 March 2020.
  - The Panel agreed to approve the Adult Social Care Local Account for 2019-2020.

### **3.0 Achievements highlighted in the 2019-2020 Local Account**

- 3.1 The 2019-2020 Local Account highlights areas of significant progress and improved performance, which is making a positive difference to people in the city. One example of this is the year on year decrease in the number of complaints received. In 2019-2020, there were 53 formal complaints, compared to 74 the previous year and 81 in 2017-2018.
- 3.2 A priority for Adult Social Care in 2019-2020 was to support people with care and support needs to live as independently as they can in their own homes, for as long as possible. The Telecare Response Service supported 1372 new people this year, which means that the service is on track to reach the goal of supporting an additional 3000 people between 2019-2022. This year, they have attended 3388 incidents and just under 7% of these required an ambulance. This has helped people to remain at home while also reducing the pressure on local health services.
- 3.3 The Home Assisted Reablement Programme (HARP) has supported more people to remain at home for longer after being discharged from hospital. This year, 81% of people aged 65 and older were still at home 91 days after being discharged compared to just under 75% in 2018-2019. The Independent Living Service has also been working to support this outcome. An example of this, which is included in the Local Account,

involves Mary, who wanted to continue to live in her own home but had experienced a lot of falls and there were some parts of her property which she couldn't access safely. This included her showering facilities. Within two days of asking for help, adaptations were made to Mary's home which significantly reduced the risk of her falling and meant she could continue to live her life without any ongoing care and support.

- 3.4 Over the last two years Adult Social Care in Wolverhampton has been working hard to introduce a new way of working, called Three Conversations©. At the heart of this approach is having a meaningful conversation, where practitioners listen hard to what matters to people and make connections that will help support people become more independent and live their idea of a "good life". This looks different for everyone, but could mean getting a job, seeing friends or having their own home, like Pauline, who spent almost 40 years in different hospitals. This year, with the support of the Forensic Social Work Team and Transforming Care Partnership, Pauline was able to move into her own flat as part of a supported living arrangement. Pauline has said that she is able to "live and breathe freely" and that she is "delighted to have such a friendly and supportive network" around her helping her to feel safe.
- 3.5 Connecting more people to their communities has been a key focus this year. One of the drivers for this is because loneliness and isolation can have a huge impact on a person's physical and mental health. The Three Conversations © approach has supported this priority this year with its focus on "good" connections. The Carer Support Team and Community Support Team have also been working to connect more individuals to people and places in the community that will help them. As a result, this year there were almost 300 more Carer Conversations than in 2018-2019 and the Community Support Team supported 1350 people compared to 1210 last year.
- 3.6 The Community Support Team also organise Community Talking Points, which are opportunities for people to talk to someone about what is happening in their local area and get information and advice. These events take place at different venues across the city and have been really successful, with 20 more being organised this year than in 2018-2019. This has helped the Council identify and support more "hidden carers" within the city and have also resulted in at least one local café organising their own carers group.
- 3.7 Over the past few years, the Council has been working to make it easier and quicker for people to speak to someone who can help them and get the support that they need. The Sensory Impairment Team has offered "drop-in" sessions throughout the year to enable people to try different types of equipment before they buy them. This saves people money and time and also increases their independence by enabling them to find the equipment that best suits their needs.
- 3.8 The Welfare Rights Service has supported people in the city to claim over £16.1 million in annualised benefits in 2019-2020. There was also £1.7 million in annualised revenue gains for the City of Wolverhampton Council this year through Adult Social Care

increased contributions. These gains come from the Welfare Rights Service supporting people to maximise their benefits where they are receiving a chargeable service from the City of Wolverhampton Council.

- 3.9 There are seven real life examples which highlight how adult social care in Wolverhampton has made a positive difference to people with care and support needs and their carers this year. For example, 550 people in Wolverhampton received a direct payment and there has been a 132% increase in the number of people who received an Individual Service Fund this year. The Local Account gives examples of how people are using direct payments to have choice and control over the support they receive and also how some young people are being supported to use public transport on their own which is increasing their independence.

#### **4.0 Challenges highlighted in the 2019-2020 Local Account**

- 4.1 The guidance produced by Towards Excellence in Adult Social Care (May 2013) encourages Local Authorities to adopt a balanced approach when producing Local Accounts, so that challenges are reported alongside the good news stories.
- 4.2 Supporting people to leave hospital as soon as they are able has been a priority for the Council over the past three years. The number of people experiencing delayed transfers of care (DToC) in Wolverhampton continues to be below the national average, which is positive, and Wolverhampton was the 41st best performing health and social care system out of 151 local authorities in 2019-2020. Since last year's Local Account our rank has fallen, however the city is in a much stronger place than in 2017-2018 when the city was ranked 104th. It is important to note that numbers fluctuate every month which means the rankings also change monthly.
- 4.3 Some people will always need ongoing care and support and it is important that they are supported to have as much choice and control over their own lives as they would like. In 2019-2020, the number of people with care and support needs who said that they have control over their lives has slightly decreased (74% compared to 76%) and is slightly below the national average of 77%. The Council will prioritise this in 2020-2021 by continuing to support people with care and support needs to live as independently as they can in their own homes, for as long as possible, promoting direct payments and ISF's, continuing to connect people to their local communities and having good conversations so that people are supported to live their idea of a "good life".
- 4.4 Supporting people with care and support needs who want to work is an ongoing priority for The City of Wolverhampton Council. There were 47 adults with a learning disability in employment this year, which is less than last year. The Council intend to improve this by working closely with Adult Education to develop Supported Internships and ensure closer links with the Special Education Needs and Disabilities (SEND) Team, the Disabled Children and Young People's Team and Adults teams.

## **5.0 Improvements to the 2019-2020 Local Account**

- 5.1 Each year there is a consultation to identify ways in which the Local Account can be improved. This year due to Covid the public consultation has been shorter than usual and was carried out virtually. Local groups were invited to provide feedback on the previous year's Local Account Groups invited to take part included the LGBT Alliance, Healthwatch, Pohwer, SUCCESS Group (a University of Wolverhampton group of around 50 people and carers with a diverse range of lived experience and backgrounds) and African Caribbean Community Initiative (ACCI). However, participation was more limited than usual and some groups were unable to take part.
- 5.2 Feedback from the consultation was generally positive, with the overall opinion that the information provided in last year's Local Account was useful and informative and that the pictures, infographics and stories made it easier to read. There was also agreement that the report had a "friendly and inviting" feel to it. As a result, much of the design and layout of the Local Account has remained the same as last year.
- 5.3 A key recommendation from the consultation was to change the "thumbs up/down/sideways" graphics used alongside the data about compliments and complaints. It was felt that these symbols could be interpreted by the public as saying that the Council discourages complaints and tries to "disprove" complaints when they are received. Consequently, this has been changed in the 2019-2020 report.
- 5.4 It was also suggested that people should have access to the Local Account in other formats, including easy read. In this year's Local Account there is a statement about how people can request copies of the document in other formats and an easy to read version will also be published and accompany the main report on the Council's Adult Social Care webpage. The aim is to also produce a video highlighting the main points and could include a sign language interpreter as well as subtitles.

## **6.0 Overview of local, regional and national performance**

- 6.1 The Adult Social Care Outcomes Framework (ASCOF) measures how well care and support services achieve the outcomes that matter most to people. It is used both locally and nationally to set priorities for care and support, measure progress and strengthen transparency and accountability. Every year quantitative data is provided at local, regional and national level that measures activity over the last statutory year and is taken from the Adult Social Care Survey and Survey of Adult Carers. This data is collated and published by NHS Digital each year usually around the end of October however due to Covid this has been delayed until December 2020.
- 6.2 The City of Wolverhampton Council uses this data in the Local Account to identify progress and areas which need to be monitored or addressed in the coming year. This is represented in a table (page 13) as well as in other areas throughout the document to enable comparisons to be made with previous years and other similar councils as well as national figures. This helps to benchmark local performance.

## **7.0 Evaluation of alternative options**

- 7.1 Although not mandatory, it is considered good practice for councils to produce and publish a Local Account every year.

## **8.0 Reasons for decision(s)**

- 8.1 The Adult Social Care Outcomes Framework (ASCOF) measures the extent to which care and support services are achieving the outcomes that matter most to the residents of Wolverhampton. The information in the annual report is used locally to set priorities for care and support and also provide a basis to measure progress and strengthen transparency and accountability. The publication of the report also provides a basis to review and reflect on progress and help identify areas of risk and or where further action is needed to improve performance against national social care standards in the future.

## **9.0 Financial implications**

- 9.1 There are no direct financial implications arising from this report.  
[MK/11122020/D]

## **10.0 Legal implications**

- 10.1 There are no direct legal implications arising out of this report.  
[TC/08122020K]

## **11.0 Equalities implications**

- 11.1 The Local Account highlights the work of Adult Social Care, which covers a diverse range of groups. In this report the work carried out by the teams to address equality issues experienced by individuals, families and communities are discussed and celebrated.
- 11.2 Consultation has taken place with representatives of people with lived experience and an equalities impact assessment form has been completed as part of this report.

## **12.0 All Other Implications**

- 12.1 The Local Account highlights how Adult Social Care in Wolverhampton are prioritising the health and wellbeing of people in the city. Supporting carers, working to reduce loneliness and isolation, supporting people to live their lives as independently as they would like and supporting people to live a “good” life has been a focus throughout the year.
- 12.2 The Covid-19 pandemic has had a significant international, national and regional impact on the provision of adult social care sector and will continue to impact on the management and delivery of services in the immediate future in response to changes in the level of demand.

- 12.3 Adult Social Care in the City of Wolverhampton Council has continued to operate under the Care Act throughout the pandemic, with some flexibilities and minor changes to the way work has been carried out and support / services provided. As such there has not been any need to implement any Care Act easements and the Council has remained at Stage 2. Most services have continued to be delivered as business as usual, whilst observing all government guidelines. Adult Social Care in Wolverhampton has adapted to working in creative and innovative ways that have enabled the people of Wolverhampton to be supported whilst also ensuring people are safeguarded. This will be highlighted in more detail in the 2020-2021 Local Account.

### **13.0 Schedule of background papers**

- 13.1 There are no background papers for this report.

### **14.0 Appendices**

- 14.1 Appendix 1- Minute Extract from the Adult and Safer City Scrutiny Panel on 19 January 2021
- 14.2 Appendix 2 - Adult Social Care Annual Report: The Local Account 2019-2020

# Adults and Safer City Scrutiny Panel

Minutes Extract - 19 January 2021

## 8. Adult Social Care Annual Report: The Local Account 2019-2020

Jennifer Rogers, Interim Safeguarding Manager (Adults) and Courtney Abbott, Quality and Improvement Advanced Practitioner for Children and Adults, jointly presented the report jointly to the panel.

Jenny Rogers, Interim Principal Social Worker, gave a brief introduction to the requirement for local authorities to publish Adult Social Care Local Account. The panel were invited to give comment and feedback on the 2019-2020 Adult Social Care Local Account prior to it being presented to Cabinet on 8 February 2021 for approval. The purpose of publishing the Local Account is to provide the public with information on the performance of Adult Social Care service and activity against performance targets.

The report details the progress made against the priorities set in the previous year and includes a mix of both qualitative and quantitative information. The document also includes lots of stories of real-life stories where there has been an impact.

The Interim Principal Social Worker commented on the importance of celebrating in the document the achievements of the service but also highlighting the challenges and where improvements are needed. The Local Account is part of the self-assessment process and important to make sure that it is easy to read and accessible. It is considered a really good practice for councils to include information about the financial situation and how resources have been used. The inclusion of financial information is not mandatory. The Local Account is normally published in November or December but to the impact of Covid-19 there has been a delay. The Interim Principal Social Worker invited panel to comment on the draft document.

The document has been shared with local groups who were invited to give us feedback on what could be done to make it work better for the public

Courtney Abbott, Advanced Practitioner for Quality and Improvement, commented that the Local Account looks at the strengths of the service and what has been done well against challenges faced during the year. The Advanced Practitioner, commented that the service has made good progress towards meeting the key priorities during the year. A key highlight in the document is that year-on-year adult social care received fewer complaints when compared to the previous year.

The Advanced Practitioner added that the service replied to most complaints received within the required time scales and there is a focus on resolving complaints as quickly as possible. The Advanced Practitioner gave further details about the progress in meeting the target to register 3000 new people on Telecare which helps support people to remain independent in their own home for as long as possible.

The service is supporting 1372 people and is on target for meeting that goal of 3,000 new people using Telecare.

The Advanced Practitioner commented on the support given to people who have been discharged from the hospital and highlighted the increase in the number of people still in their home 91 days later when compared to the previous year.

The service is helping people to remain more independently in their homes and out of hospital unnecessarily. The service provides equipment and make adaptations that can help ensure that a person's home is safe for them and meet their needs.

The Advanced Practitioner commented on the progress in implementing the 'three conservations' throughout adult social care, and their examples in the Local Account about the positive benefits of the approach in terms of helping people to connect with other people in the community. There has been an increase in the number of 'conversations' held in 2019 2020 compared to the previous year. The work has been supported by the community support and carers support teams.

The Advanced Practitioner commented on the success of care assessments for people being discharged from hospital either into a care home or supported accommodation. The service will ensure that people who are ready for discharge are going to be in the place that will best meet their needs, but there is a recognition that there is more to do to support the people who live in the City.

The priorities set for 2020 2021 are the same as the previous priorities because these are areas which are important to people in the City. The Advanced Practitioner advised the panel that the service wants to make the offer better and also working with the challenges presented by Covid-19. The service will continue to prioritise the timely discharge from hospital in the future and also help people have more choice and to live more independently. The Advanced Practitioner commented in previous meeting where the issue of isolation and loneliness among older people was discussed and outlined the work being done to tackle this issue for people living in their own homes and connecting to them to support networks. There is a lot of work being done in this area because loneliness can affect both mental health and physical health of carers, for example, connecting carers to people with similar interests and hobbies, which can help to improve the situation.

The Mental Health Team has been set up a WhatsApp group to encourage people with mental health difficulties to keep them in touch with each other and to create a space where they can talk to each other. The aim is for the group to become their own support group. The service is continuing to evolve and learn from what else is going on around the country.

The panel discussed the impact of dementia on people using Telecare and other support that might be needed where they may not be wearing the alarm necklace and need help following an accident. The Advanced Practitioner accepted the ongoing challenge presented in helping people with dementia to remain independent in a home setting but reassured the panel of the work being done to support.

The panel thanked the presenters for their report and presentation.

Resolved:

1. The Panel agreed to note the Adult Social Care Local Account for 2019-2020.
2. The comments of the Panel to be included in the report to Cabinet on 8 March 2020.
3. The Panel agreed to approve the Adult Social Care Local Account for 2019-2020.

# Adult Social Care Annual Report

The Local Account  
2019-2020

DRAFT



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# Foreword

Welcome to the City of Wolverhampton Council's Local Account for 2019-2020, which is our annual Adult Social Care report. This is our opportunity to reflect on the progress we have made during the last 12 months, identify key achievements and challenges and to set out our priorities for the year ahead.

Looking back now, I'm sure few of us would have been prepared for just how much our everyday life was about to change due to Covid-19. Although this is a report about 2019-2020, we feel it is right to take a moment to acknowledge how well the city has come together in response to the pandemic and to also reflect on the significant impact the virus has had on every single one of us. Adult Social Care, like the NHS, has continued to support people during this crisis, many on the frontline caring for those who need it most in our communities, whilst putting themselves and in some cases their own families at risk. We would like to recognise the tremendous contribution of all keyworkers, but with some particular recognition for those working in Adult Social Care, including care workers in the private and independent care sector, who are working tirelessly to keep our communities safe and supported.

Although undoubtedly the current situation is difficult and uncertain, it is still really important to take the time to review what our Adult Social Care teams achieved in 2019-2020. This in turn will help us shape our longer-term vision for the future of Adult Social Care in the city.

In this year's report there are some incredible real-life stories, which bring to life what a difference Adult Social Care is making to people in the city with care and support needs. We

have also included some important data which shows how we are doing compared with last year and have also measured our performance against regional and national figures.

Our biggest challenge continues to be trying to balance the budget at a time when people are living longer and with multiple and complex health conditions, which means more of us will need support from Adult Social Care than ever before. In last year's Local Account (2018-2019) we reported on how we were testing out a new way of working called Three Conversations ©, which would support us to make the most of our finite resources, encourage innovation and enable us to have better conversations with people and carers. This approach has helped us to understand what really matters to people and identify how we can be most useful by recognising strengths and making connections to the right people and places in the community to help individuals get on with their lives as quickly as possible. This year we have been further developing this new way of working across Adult Social Care. There are some fantastic examples in this report.

When we reflect back on 2019-2020 it is wonderful to see that there has been much to celebrate. For instance, the City of Wolverhampton Council has once more been recognised as a dementia friendly city, demonstrating that organisations are working together to make people living with the condition feel better understood, respected and supported. The Alzheimer's Society granted Wolverhampton Dementia Friendly Community Status for the third year running after recognising the work taking place to improve services for people living with dementia and their families and carers.

In September 2019 the City of Wolverhampton Council won two awards at the Association for Public Service Excellence (APSE) Awards. The Council was named APSE Overall Council of the Year in Service Delivery and also won the award for Best Collaborative Working Initiative, after working with partners to end rough sleeping, cutting homelessness figures in the city by nearly four fifths at a time when most other towns and cities are experiencing increases. The work of the Council and city partners to tackle homelessness in the city was also recognised at the MJ Local Government Achievement Awards in 2019.

In October 2019 hundreds of people turned out to celebrate at Wolverhampton's LGBTQ+ Pride event, which was an overwhelming success. Acts included the city's very own Nate Ethan, who is believed to be the country's first transgender rapper. The city also marked LGBTQ+ history month in February 2020 with the flying of the rainbow flag outside Wolverhampton's Civic Centre. In November a free health and wellbeing conference for Wolverhampton's LGBTQ+ community was held, which covered a range of topics including the needs of young people, mental health and wellbeing, sexual and reproductive health, reducing violence, victimisation and stigma, utilisation of health care, living with dementia and care in later life. Keynote speakers included Dr Michael Brady, the first National Adviser for LGBTQ+ Health in the NHS.

This year the City of Wolverhampton Council received grant funding to extend a pioneering project which uses artificial intelligence (AI) to help health and social care providers better predict future demand for services. Following a successful 'test and learn' phase, the Council

has been selected to receive further funding from NHS Digital to implement the project on a larger scale and demonstrate how AI could be used to predict demand for services more widely across England.

We really hope you enjoy reading this report and about the many ways we are transforming Adult Social Care in the city in response to the challenges we face. We would also like to take this opportunity to thank everyone who took part in the consultation to help shape this year's Local Account.



**Councillor  
Linda Leach**  
Cabinet Member  
for Adults



**Emma Bennett**  
Director of Adult and  
Children's Services

# About Adult Social Care in Wolverhampton

In England Adult Social Care is the responsibility of local authorities whilst working closely with other partners such as health organisations, housing, voluntary and third sector as well as many others to improve outcomes for people.

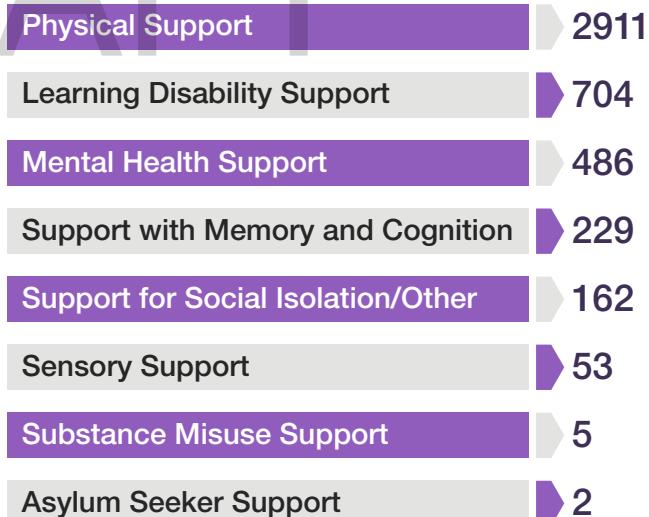
Adult Social Care supports people who have care and support needs, which could arise as a result of an illness or disability, and also their carers. This could include, for instance, people who have sensory loss, physical and/or learning disabilities, mental health difficulties, autism and needs associated with older age.

*The main reasons people needed support from Adult Social Care in Wolverhampton this year were:*



Under the Care Act 2014, one of the key pieces of legislation, Adult Social Care has a duty to make safeguarding enquiries where someone with care and support needs is experiencing, or is at risk of, abuse or neglect and cannot protect themselves because of those care and support needs.

Predominantly, Adult Social Care teams in Wolverhampton work with people over the age of 18, but also support young people who may already be known to children's services as part of transition planning into adulthood.



## Find out more...

Our Council Plan 2019-2024 sets out how City of Wolverhampton Council will work with communities to deliver improved outcomes for the people of the city over the next five years.

You can read the plan by clicking **HERE** or you can visit the Council website, [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk), and search for “Our Council Plan”.

## Measuring Progress

The Department of Health and Social Care publishes the Adult Social Care Outcomes Framework (ASCOF) annually, which measures how well care and support services achieve the outcomes that matter most to people. This can be used by local councils to look at their performance, improve quality of care and to identify priorities for local improvement.

Four of the outcomes from this framework are referred to throughout this Local Account, as well as an outcome which helps us to consider value for money and the use of the resources, including those we commission:



# Developing a New Way of Working

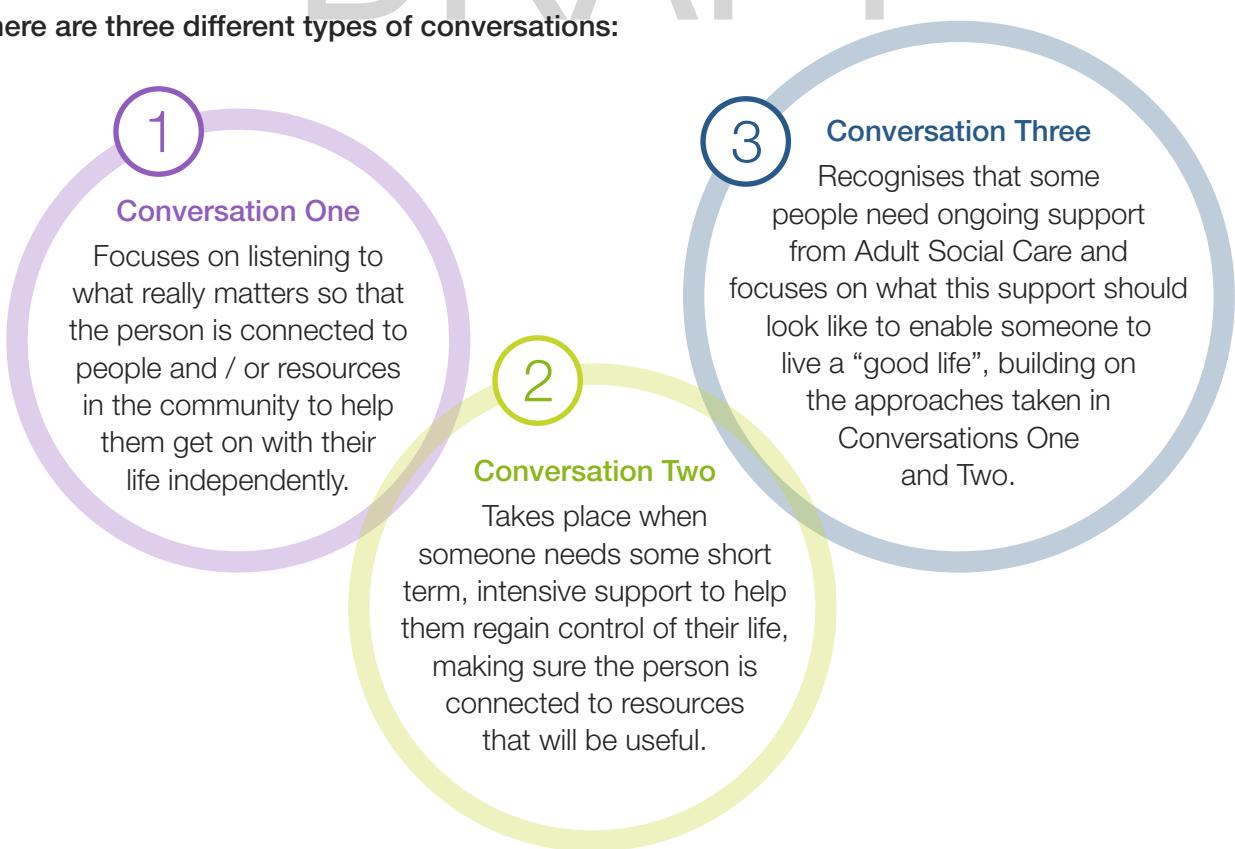
Over the last two years Adult Social Care in Wolverhampton has been working hard to introduce a new way of working, called Three Conversations©. Most teams are now working in this way.

At the heart of this new approach is having a meaningful conversation, rather than filling in lengthy forms and automatically thinking that formal services are the answer. People needing support will get to speak to someone who can help quickly, and they will continue to work with them so that the person doesn't have to keep repeating their story. This way of working focuses on strong connections, relationships and looking first at what's strong in someone's life, rather than just focussing on what's wrong (also called taking a "strengths-based approach").

So far, more people have been seen compared to the old way of working and they are not waiting as long to speak to someone in a social work team. Things tend to happen faster because some bureaucratic processes and systems have been removed or changed.

One key difference is the change in language. Jargon and labels like "cases" or "service users" are not being used anymore because it is important to use plain, non-judgemental language that shows respect and makes sense to everyone. This is why we have swapped the word "assessment" for "conversation" for example. We will always try and explain what we mean when using terminology that people may not know.

**There are three different types of conversations:**



## This means we will:



Listen hard and have meaningful conversations to find out what really matters



Recognise people's skills and strengths by thinking about what's strong, not just what's wrong



Connect people to what's going on in their community and encourage the development of local community groups



Focus on making things work better for people



Develop approaches that promote independence and prevent, delay and reduce need as much as possible

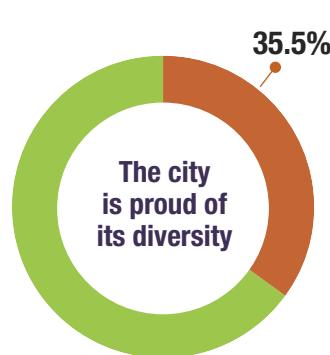
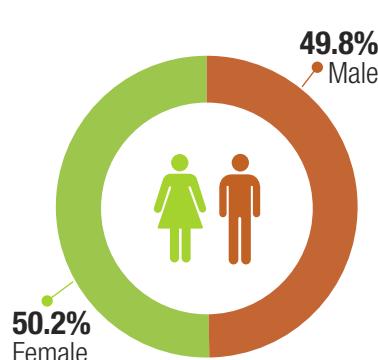
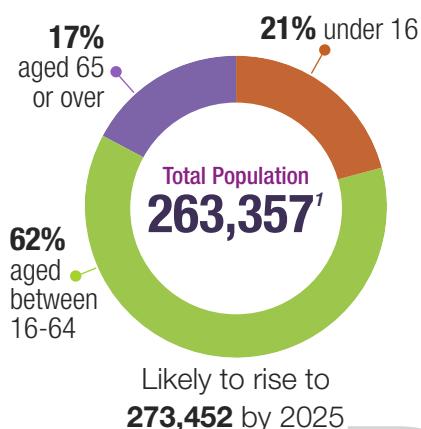


Consider what a 'good life' looks like for that person and make sure they have as much choice and control as possible

# The City of Wolverhampton and Its People

## Local Population

The City of Wolverhampton is a diverse place and the Council's Adult Social Care workforce are committed to promoting and respecting equality and diversity. It is important to us that we recognise what makes people unique. This could include culture, religion, gender and sexuality, as well as age and ability, amongst others.



with 35.5% of residents from Black, Asian and minority ethnic (BAME) communities<sup>4</sup>

**One of the 20%**

most deprived districts/unitary authorities in England

**75%**

in employment which is lower than the national average of 79%

**20.5%**

of the city's population has some form of disability

**27,136**

carers in Wolverhampton (just over 10% of the population)<sup>3</sup>

**5,882**

residents aged 16+ estimated to be lesbian, gay, bisexual or other<sup>2</sup>

**74%**

are religious Christianity is the most common, followed by Sikhism

The Adult Social Care workforce in Wolverhampton is supported to access information and resources, where appropriate, to make sure that we get things right for each individual and their specific needs and circumstances. All workers have equality and diversity training and employing managers also receive unconscious bias training.

<sup>1</sup> Figures have been obtained from the Office for National Statistics (nomis - official labour market statistics)

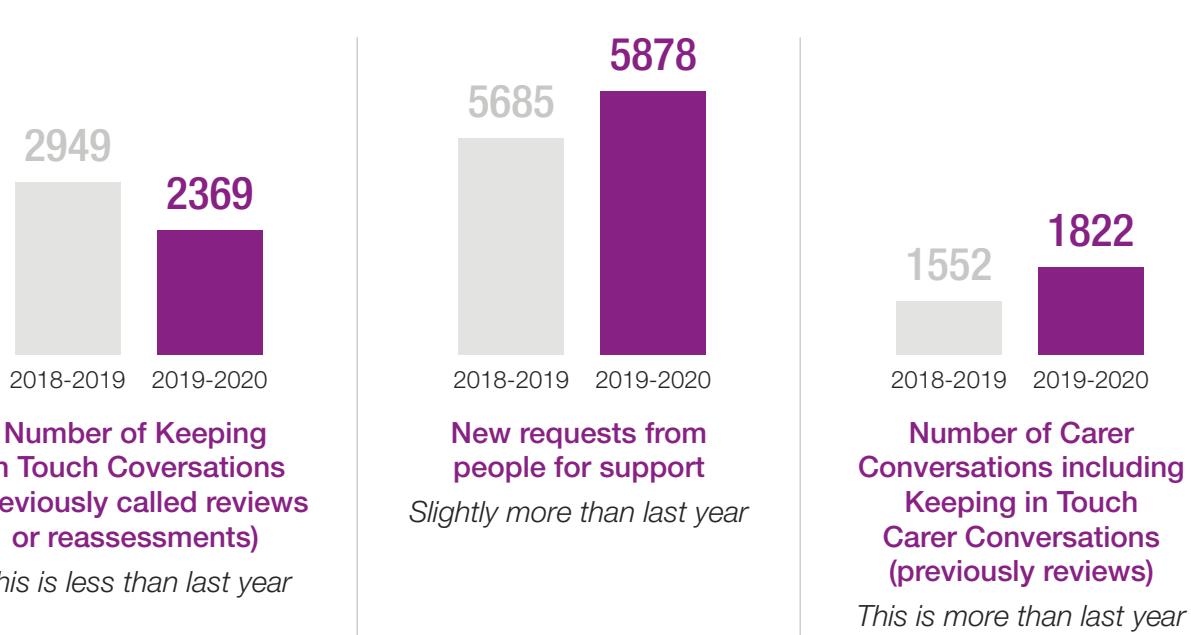
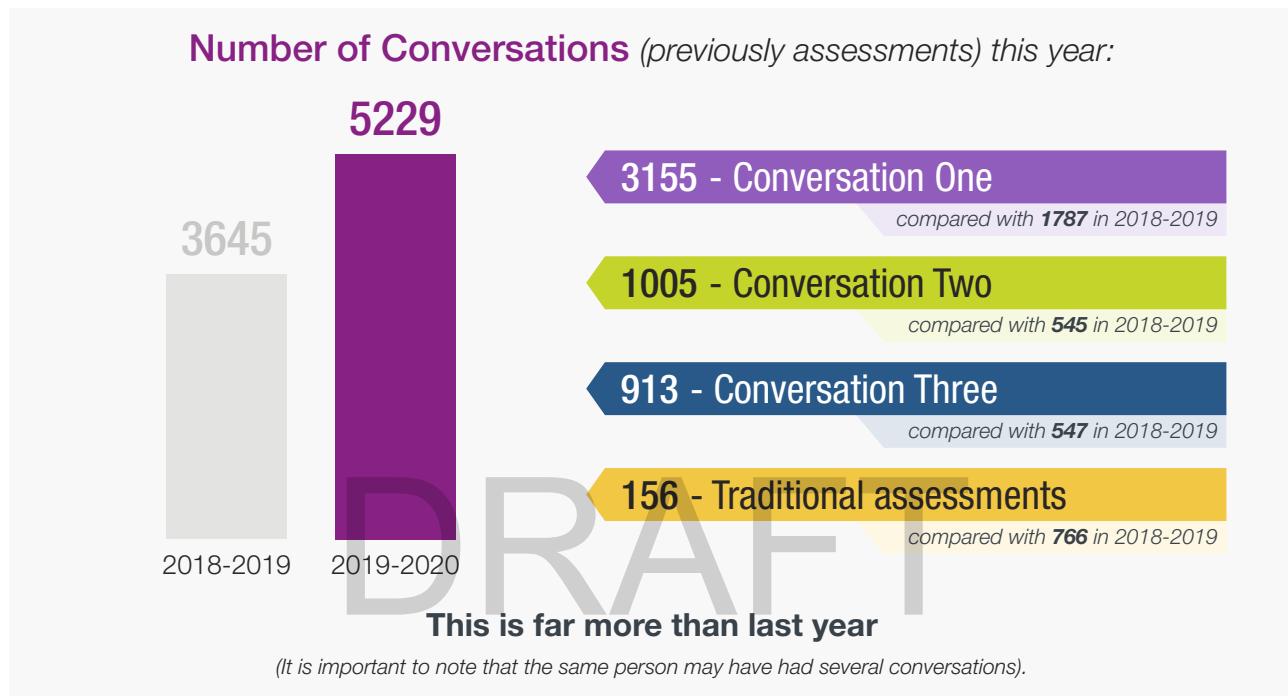
<sup>2</sup> The Office for National Statistics (ONS) "Sexual orientation, UK" release, 2018, estimated that 2.8% of adults in the UK identified themselves as Lesbian, Gay, or Bisexual (LGB) or other. "Other" includes those who do not consider themselves to fit into the heterosexual, gay, lesbian, or bisexual categories and possibly those who did not understand the terminology or who are against categorisation. Using the estimate of 2.8%, this equates to 5,787 adults in Wolverhampton who were LGB or Other. Estimates for men/women, and by age, are not exact and the numbers do not reconcile precisely because they are based on extrapolations from national data by ONS, which themselves use slightly different bases. Data at a local level on gender reassignment is unavailable. The problems with estimating and defining the data are summarised by the Office for National Statistics (ONS) in their Gender Identity Update, however a Gender Identity question will be included in the 2021 Census. Source: Sexual Orientation, UK (Office for National Statistics)

<sup>3</sup> Taken from 2011 Census

<sup>4</sup> Taken from 2011 Census

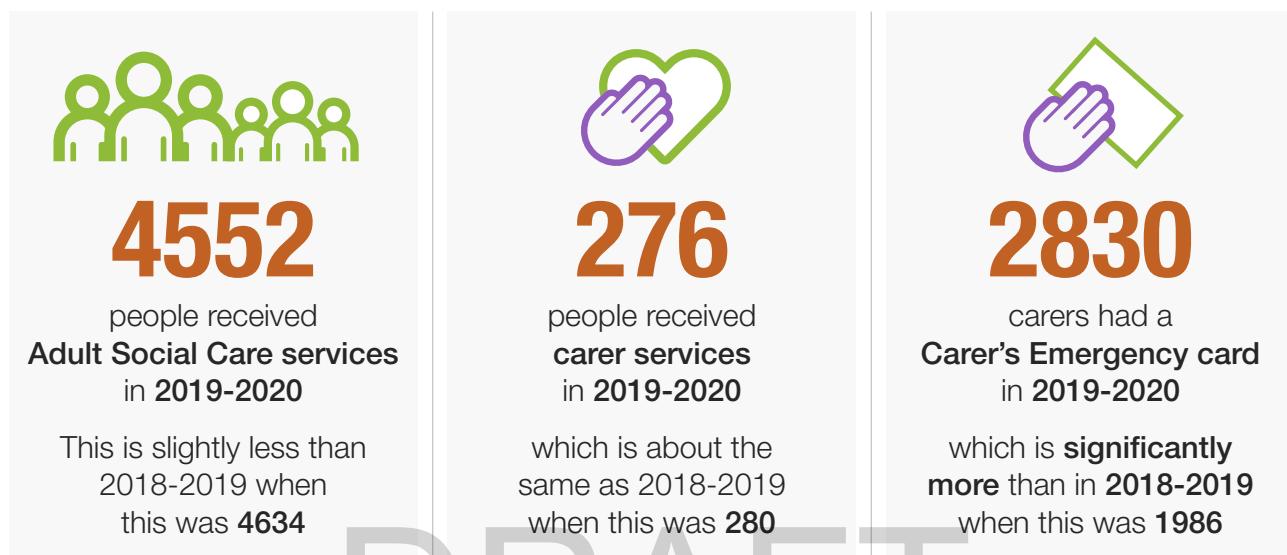
## Activity in Adult Social Care in 2019-2020

People contact our Adult Social Care teams every day looking for information, advice and support. When we speak to someone, we have a really good conversation to find out what will help and what matters most to the person to try to make sure they get the right support when they need it most.



## People Who Received Support from Adult Social Care in 2019-2020

In Wolverhampton, Adult Social Care aims to maximise people's independence and connect individuals with people and places that will help them to get on with their lives. Where people need formal support, that support is shaped to focus on what a good life looks like for that individual using the **Three Conversations<sup>®</sup>** approach.



### A Carer's Emergency Card

is useful in an accident or an emergency as it identifies the person as a carer so that a contingency plan can be put into place for the person they care for.

To make an application for the **Carer's Emergency Card** - Click **HERE** or visit [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk) and search for "Carer Support"

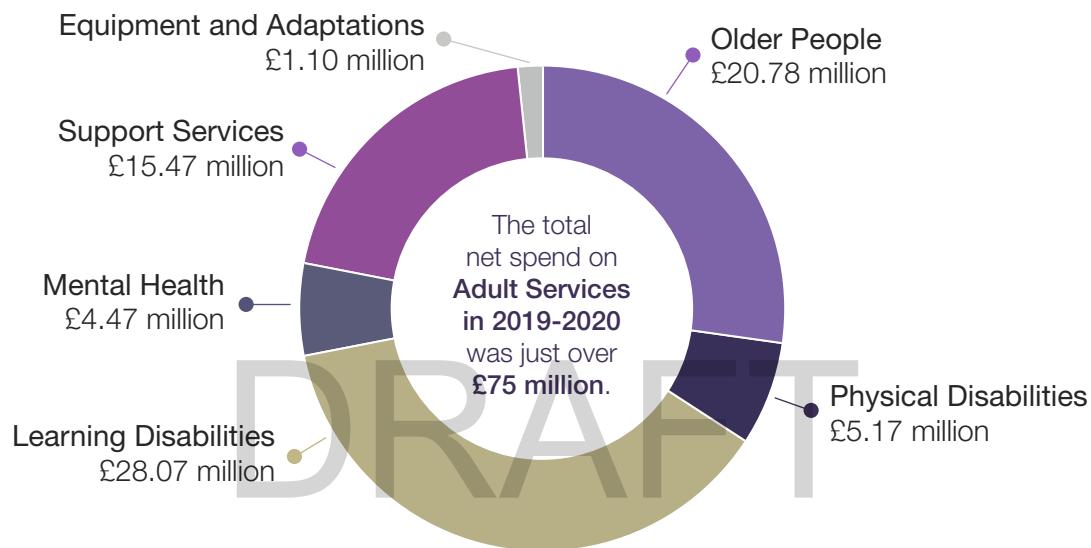


## Spending in 2019-2020

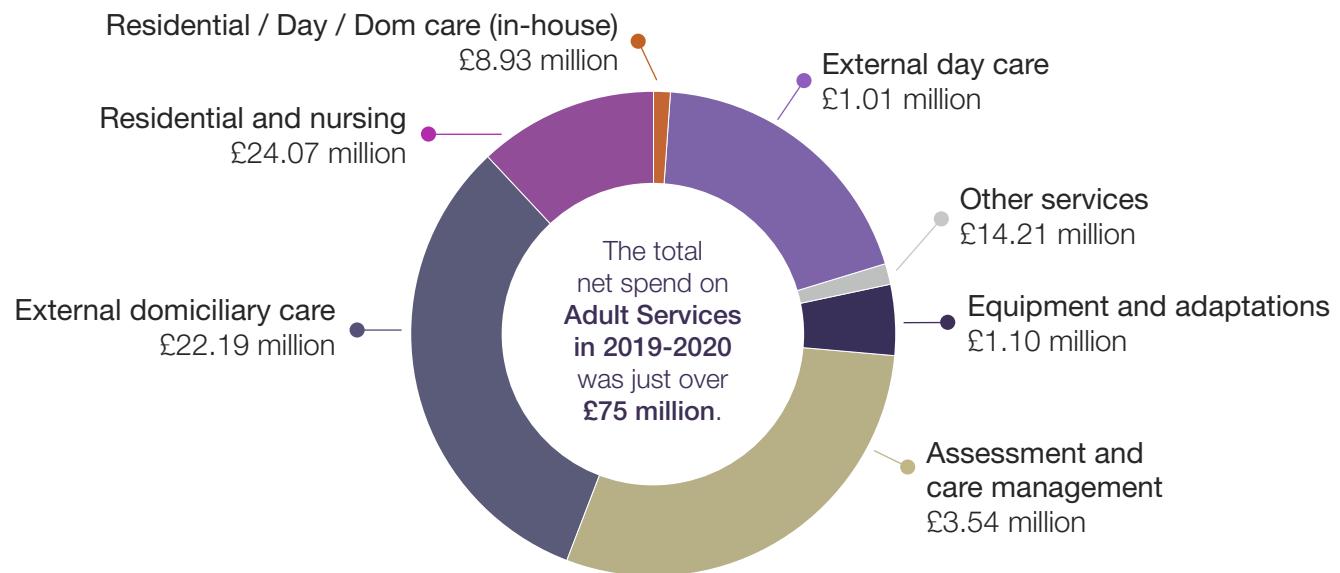
The **City of Wolverhampton Council** spent **35%** of its net revenue expenditure on Adult Social Care in 2019-2020, which is the same as last year.

*This was distributed in the following ways:*

### Breakdown of Spend by Groups



### Breakdown of Spend by Categories



# Measuring Performance

The Adults Social Care Outcomes Framework (ASCOF) is produced each year and provides local councils with information to enable them to understand how adult social care services are performing and to set priorities. It includes survey data collected from people who have experience of local services.

The City of Wolverhampton Council compares its performance to previous years and also benchmarks against similar council and national averages to help measure progress (some of the ASCOF findings are referred to elsewhere in this report).

Overview of Performance	2018 - 2019	2019 - 2020	Similar council average	National average	How did we perform in 2019-2020?
Social Care reported Quality of Life has remained stable.	19.2	19.2	19.3	19.1	
The overall satisfaction of people with care and support needs who use services has increased and is similar to the national and similar council average.	61.5%	65.3%	66.1%	64.2%	
The number of people who have self-directed support has increased and is above similar council average but slightly below national average.	87.8%	88.8%	84.7%	91.9%	
The number of people with care and support needs who say they have control over their lives has slightly decreased and is below the national and similar council average. So, this will be a priority for the Council for 2020-2021.	75.7%	73.8%	79%	77.3%	

# An Update on Progress

In the last Local Account, the City of Wolverhampton Council identified three key priorities for 2019-2020. This is an update about the progress that has been made.



## Priority and Target Set for 2019 - 2020

Connect more people to their communities and ensure they have easy access to information and advice when they need it.

### Progress Made

The majority of **Conversations in 2019-2020** have been Conversation One's (just over 60%). These are conversations which connect individuals to people and places locally that will help and do not lead to any formal services. This shows that teams are having really good, strengths-based conversations to connect as many people as possible to their community and ensure they have access to information and advice when they need it.

The Community Support Team has worked hard this year to connect more people to their community. You can read about this on page 30.

**THIS YEAR 54%** of people who had support from Adult Social Care, said that they have as much social contact as they would like.

*This is an increase from 52% last year and is significantly higher than the national average of 46% (ASCOF data 2019-2020).*

**THIS YEAR 72%** reported that it is easy to find information about services and support.

*This is an increase from 61% last year and is also higher than the national average of 68%. (ASCOF data 2019-2020)*

## Priority and Target Set for 2019 - 2020

**Support people with care and support needs to live as independently as they can in their own homes, for as long as possible.**

### Progress Made

There are many ways Adult Social Care have achieved this in 2019-2020. The Telecare Response Service attended 3388 incidents (including falls) this year. Of those, just under 7% needed an ambulance. This has helped people to remain in their own homes and reduced pressure on local health services. In March 2019 the Council set a target to increase the number of people supported by the Telecare Service to an additional 3000 people by 2022. This year 1372 new people were being supported, which means we are on track to meet this goal.



Social Work teams have continued to promote and support people with care and support needs to take up the option of direct payments and Individual Service Funds (ISFs) which increase choice and control. The number of Individual Service Funds have significantly increased this year. Read more about this on page 22.

The **Telecare Service** provides a range of equipment (such as alarms and sensors) that helps to support people to stay safe and independent in their own home for as long as possible. Should an accident or other emergency occur, **Telecare provides people with the ability to call for help 24 hours a day.**

You can read more about the **Telecare Service** and what they offer by clicking **HERE** or visiting [www.wolverhamptonhomes.org.uk](http://www.wolverhamptonhomes.org.uk) and searching for “**Telecare Service**”.

The number of people over 65 moving permanently into residential or nursing care is lower than last year (ASCOF data 2019-2020). This could suggest that more people are being supported in their own homes for longer wherever it is possible and safe to do so.

Although there are slightly more 18-64-year olds moving into residential or nursing care this year, there are now more people with a learning disability living in their own home or with their family (ASCOF data).



### Priority and Target Set for 2019 - 2020

Make sure people are able to leave hospital as soon as they are well enough

#### Progress Made

Supporting people to leave hospital as soon as they are able to do so has been an ongoing priority for Wolverhampton and there are strong partnerships in place to achieve this.

This year to help support safe discharges and reduce delay, Wolverhampton Clinical Commissioning Group, in partnership with the Council and the Royal Wolverhampton Trust, have piloted the use of Trusted Assessors. This has enabled people to leave hospital sooner, saving approximately 1361 bed days since the pilot began.

**DRAFT**  
Trusted Assessors connect people who are ready to be discharged from hospital with care homes or other supported accommodation that can meet their needs. This allows the person to leave hospital sooner than if they were waiting for the care home to complete the assessment.

The Home Assisted Reablement Programme (HARP) team have continued to support people after being discharged from hospital to enable them to regain control of their life. Read more about this on pages 26 and 33.

There are 151 Local Authorities in the UK. Every month each Local Authority sends a report to the NHS which tells them how many people experienced a delay in being discharged from hospital, how many days the delay lasted and the reasons why. Each Local Authority is then given a “rank” for that month.

In February 2020 the city was ranked 41st. This means that Wolverhampton people had fewer delays than people in 110 Local Authorities.

Since last year’s Local Account our rank has fallen, however this is still well below the national average and the city is in a much stronger place than in 2017-2018. It is important to note that numbers fluctuate every month which means the rankings also change monthly.

**This remains a priority for Adult Social Care.**

# Progress in 2019-2020



## Outcome 1



### Enhancing the Quality of Life for People with Care and Support Needs

#### What this outcome means:

- Carers can balance their caring roles and maintain their desired quality of life.
- People are able to find employment when they want, maintain a family and social life and contribute to community life and avoid loneliness or isolation.

#### What did Adult Social Care in Wolverhampton do to achieve this?

The Carer Support Team have continued to support carers this year to enable them to balance their caring role and maintain their desired quality of life. This has included raising awareness, identifying more carers and exploring ways in which they can bring carers together for mutual support and advice.

The Carer Support Team provides practical and emotional support for carers in the city.

You can find out more **HERE** or by visiting [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk) and searching for “Carer Support”

#### The impact was...

Almost 300 more Carer Conversations have taken place this year compared to last year and the team have worked hard with local communities to help identify and support more “hidden” carers (*read more about this on page 30*).

*The team continue to support carers by:*

Arranging regular celebratory events, such as Christmas meals - more than 80 carers attended this year

Continuing to host the very popular Carer’s Café at the Lighthouse Cinema, which provides an opportunity for carers to come together and socialise as well as hearing from guest speakers

Producing a carers bulletin (over 2500 are sent out each month, either electronically or by post)

Using social media (Instagram, Twitter and Facebook) to promote events and share information



What people say about the Carer Support Team:

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“Exceptional service.

My support worker is empathetic and always offers great advice and information. The monthly news bulletins and City Carer Magazine are invaluable and packed full of relevant information and advice.”

“Lots of information we knew nothing about, what support we might need... you have lovely people on your staff. Thank you.”

“Excellent... cannot improve.”

## What did Adult Social Care in Wolverhampton do to achieve this?

Supporting people with care and support needs who want to work is an ongoing priority for The City of Wolverhampton Council.

The Council has a contract with Enable, who provide a supported employment service for people in Wolverhampton with a disability. Enable mostly provides support for people with a learning disability, but also supports people with physical or sensory disabilities.

### The impact was...

In November 2019 Enable attended the British Association for Supported Employment (BASE) awards and were awarded Highly Commended Team of the year.

There were 47 adults with a learning disability in employment this year, which is less than last year. The Council intend to improve this by working closely with Adult Education to develop Supported Internships and ensure closer links with the Special Education Needs and Disabilities (SEND) Team, the Disabled Children and Young People's Team and Adults teams to promote our Supported Employment offer further.

There are some great examples of how people with care and support needs have been supported into paid employment this year, one these involves Phil whose story is below.



### A Dream Job

Phil has been having help from Adult Social Care to find a job since 2017. Over the years he has had several different casual and temporary jobs but has always dreamed of working in a school. With the support of Enable, this year Phil applied for a job as a cleaner in a local secondary school and was successful! He has now started and is receiving job coaching while he learns the job.

Barrie, Phil's job coach, said, "*Phil has thrown himself into the role 100% and has taken on board all the advice I have given him. The role is demanding, and high standards are expected; Phil is working hard to meet the expectations*".

## What did Adult Social Care in Wolverhampton do to achieve this?

Wolverhampton's Forensic Social Work Team support people in Wolverhampton who have learning disabilities and are currently involved, or at risk of becoming involved, with the Criminal Justice system.

They also work with people who come under the Transforming Care Programme (TCP). This is a national programme which aims to make sure that people with learning disabilities and/or autism are supported to move out of hospital, where they may have been for some time, into the community. The programme also aims to prevent unnecessary admissions.

### The impact was...

The Forensic Social Work team have successfully supported many people over the last year, including Pauline, who had been living in hospital for many years. She is now living in her own home in the community. Her story is below.

**Pauline** has made a video which you can watch by clicking [here](#) or by visiting <https://www.healthierfutures.co.uk/transformation-areas/improving-care-quality-and-outcomes/learning-disabilities-and-autism>

As part of the TCP, Adult Social Care is working closely with regional partners, including education and health to support more people like Pauline. Between 2015 and 2020 the partnership has been very successful and fewer people are now in hospital settings.

Learn more about the **Transforming Care Programme** by clicking [here](#) or by visiting [win.wolverhampton.gov.uk](http://win.wolverhampton.gov.uk) and searching for The Transforming Care Programme in the Black Country.

STORIES OF  
DIFFERENCE

## Pauline's Story

Pauline is a woman who enjoys life and has many interests; she has a learning disability and some mental health difficulties. In the early 1980's, Pauline was admitted to hospital and spent the next 39 years in various psychiatric hospitals around the country. Over the years, Pauline became convinced that she would never be able to live in the community again. However, during the spring of 2019, Pauline's discharge planning started. At first, Pauline was not sure that she wanted to leave hospital as she thought that the community would not be a safe place for her. However, with the help of a dedicated Life Planning Team and the Forensic Social Work Team, Pauline was able to develop a realistic plan.



With this support, Pauline was able to picture a life out of hospital for the first time in almost 40 years! Pauline was supported to choose who would support her and where she would live. She loved decorating her new flat and bought things to make it homely, which she found very exciting.

After a seven-month transition, Pauline found a "home for life" with support workers who understand her needs and respect her individuality. Talking about this opportunity, Pauline has said, "I am free to live and breathe freely now" and "I am delighted that I have such a friendly and supportive network around me. I feel safe now." Pauline has made new friends and has even re-established contact with her family.

## What did Adult Social Care in Wolverhampton do to achieve this?

As part of the Three Conversations<sup>©</sup> approach teams have been thinking about how best to support people live a good life when individuals need on-going care and support.

This includes making sure that people know about the ways they can have greater control and choice over the support they receive, for instance by accessing **Direct Payments** and **Individual Service Funds** (ISFs).

Direct Payments give the person the means to employ their own staff or buy care from a provider of their choice using their personal budget.

Individual Service Funds (ISFs) are used when a person chooses a provider to manage their personal budget. With this option, the person still has choice and control over their support without having to manage the money themselves.

Learn more about **Direct Payments** by clicking **here** or visiting [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk) and searching for Direct Payments.

## The impact was...

There has been a 132% increase in the number of people taking up the option of ISFs this year.

Around 550 people who receive care and support from Adult Social Care in the city have a direct payment. This has made a real difference for people like Ali and Ruth whose stories are below.

STORIES OF  
DIFFERENCE

## More Choice and Control

**Ali** lives with his parents who are also his carers. Ali has a direct payment for a personal assistant during term time to enable him to attend a University in another area. His direct payment enables him to live there and experience student life.

It has also meant that he is able to study at a University of his choice with the best course, rather than being restricted to the one that is most local to him.

STORIES OF  
DIFFERENCE

# DRAFT

## Whole Family Support

**Ruth** lives at home with her family and her home life is really important to her. But over time her parents were starting to struggle to meet her care and support needs and they were considering residential care.

Working under The Three Conversations<sup>®</sup> approach the social worker spent time with Ruth, her family and the direct payments team and they came up with a plan to help achieve Ruth's idea of what a good life looked like, which for her was to continue to stay at home with her family.

They used direct payments creatively so that she could have personal assistant support during the day and some support at night. This meant that Ruth could stay at home, which is what everyone wanted, and her needs and those of her family were still being met.

# Progress in 2019-2020



## Outcome 2



### Delaying and Reducing the Need for Care and Support

#### What this outcome means:

- When people develop care needs, the support they receive takes place in the most appropriate setting and enables them to regain their independence.
- Earlier diagnosis, intervention and reablement means that people and their carers are less dependent on intensive services.

#### What did Adult Social Care in Wolverhampton do to achieve this?

The Council's Independent Living Service (ILS) works with people to enable them to safely remain in their own home for as long as possible and to maximise their independence.

This could be by installing some simple equipment like grab rails or making more major adaptations like level access showers and stairlifts. Doing this can reduce risk, replace or delay the need for support.

This year the team has been exploring how to reduce the amount of time people wait to get the support they need. One way they have done this is by introducing a form which people can complete themselves if they are able to.

**This helps the team identify what they might need and saves time.**

#### The impact was...

*Use of this form has meant that the process is much quicker for people, for instance:*

The person can often take small pieces of equipment home with them on the same day as their appointment and install it themselves if they are able to do so.

The in-depth information received on the form allows the team to make decisions on larger adaptations and this reduces the waiting time considerably.

**5,125 people** contacted the Independent Living Service for support in 2019-2020 and the team received a lot of positive feedback:

“It is amazing how something like this can make such a huge difference - dignity and independence! We are so grateful.”

“I honestly don’t know what I would have done without them... they are a credit to the caring profession”.

“Thank you for your kindness and for bringing a little ray of sunshine and leaving a lot of happiness behind.”

STORIES OF  
DIFFERENCE

## Regaining Independence

Mary contacted the Independent Living Service (ILS) after she had a number of falls but did not want to go to the Falls Clinic. One of the team visited Mary at home where she said that she was unable to use her ensuite as her walker did not fit. Mary also explained that she was unable to stand up after sitting on the toilet without holding on to the hand basin and that she had had several falls getting out of the bath.

Within two days the Independent Living Service were able to make sure that a frame was fitted around Mary’s main toilet and grab rails provided in the ensuite and next to the hand basin so that she could use her ensuite safely.

They also applied for a Disabled Facilities Grant to replace the bath with a walk-in shower so that Mary could shower safely. The adaptations to Mary’s home have significantly reduced the risk of her falling and meant she does not need any ongoing formal support. Mary has expressed her sincere thanks to the Occupational Therapist who made her home that little bit safer.

## What did Adult Social Care in Wolverhampton do to achieve this?

The Sensory Impairment Service provides support for people with a visual or hearing impairment.

Visits take place within the home environment to see if small aids or equipment would support daily living, reduce risk and enhance independence.

The team has been offering training and drop-in sessions throughout the year to better support people with a sensory impairment.

### The impact was...

The team carried out mobility training with people which focused on the correct use of guide canes. They also provided guidance on how to stay safe in the community.

The team introduced drop-in sessions at The Neville Garratt Centre so that people with a hearing and / or visual impairment could try different types of equipment before they purchased them. In some cases, people have been able to take the equipment home and have not required any other service. This will hopefully prevent people from choosing unsuitable equipment and in turn increase their independence.

Learn more about the **Sensory Impairment Service** by clicking **HERE** or visiting [win.wolverhampton.gov.uk](http://win.wolverhampton.gov.uk) and searching for "Sensory Disability Service"

## What did Adult Social Care in Wolverhampton do to achieve this?

Reablement is short, intensive support to help people regain skills and confidence. This might be needed for instance after a period in hospital or because of a fall, illness or something else which has impacted on the person's ability to do things for themselves.

In Wolverhampton, The Home Assisted Reablement Programme (HARP) provides this support in the person's home. Bradley Resource Centre also offers this but in a residential home setting. The support provided helps people to become as independent as possible, reducing the need for them to be admitted or readmitted to hospital or to require long term support.

This year there has been a continued focus on reducing the number of people who have to return to hospital after being discharged.

### The impact was...

The support provided by HARP has been more effective this year. More people aged 65 and older who had been discharged from hospital were still at home 91 days after being discharged (81%). Last year the number was just under 75%.

Films have been produced about **HARP** and **Bradley** to help explain to people and professionals about what they do and what people can expect.

You can watch the film for **Bradley** **HERE** and the film for **HARP** **HERE**

<sup>5</sup> The Bradley film link is [www.youtube.com/watch?v=SDb1J9ctZjg](http://www.youtube.com/watch?v=SDb1J9ctZjg)    <sup>6</sup> The HARP film link is [www.youtube.com/watch?v=XyfVCIIUPDA](http://www.youtube.com/watch?v=XyfVCIIUPDA)

# Progress in 2019-2020



## Outcome 3



### Making Sure People Have A Positive Experience of Care and Support

#### What this outcome means:

- People know what choices are available to them locally, what they are entitled to and who to contact when they need help.

#### What did Adult Social Care in Wolverhampton do to achieve this?

Local evaluations of the Three Conversations© approach has found that when a person contacts Adult Social Care, people are not waiting as long to speak to someone in the social work team who can help them.

The Three Conversations© approach also encourages professionals and agencies to have a conversation with each other, rather than completing a lengthy referral form, which often means people and families have to wait for the support and information they need.

To build on this approach, this year each social work team has been linked to a specific worker in the Community Pathways team as well as the Community Support and Carers Support teams and HARP. Some teams are also building closer relationships with other services, such as housing and health colleagues, by inviting them to weekly team meetings.

#### The impact was...

*Feedback about this new way of working has been very positive:*

“It was reassuring to know that if things changed, I would be able to just call back and get some help”

“The response time was really good, I was contacted within a few days of the initial enquiry...everyone I had contact with has been very helpful and open-minded”

Closer working between teams has meant that people are starting to be connected to the help and information they need from the right people more quickly than in the old way of working. An example of this is the closer relationships that have been built between social work teams and Community Pathways which you can read about below.

**The Community Pathways Team** works with people aged 16-64 who have a disability to enable them to live as independently as possible in the community. You can find out more by clicking **HERE** or by visiting [win.wolverhampton.gov.uk](http://win.wolverhampton.gov.uk) and searching "Community Pathways"

STORIES OF  
DIFFERENCE

## Working Together

**The Community Pathways Team** have been working with five young people after being connected to them by social work teams as part of the Three Conversations© approach. Each young person has been supported to consider a range of opportunities and new experiences linked to their individual goals and aspirations.

Three of them are developing their practical skills and are learning to use different modes of transport. This has been a huge achievement for these individuals who are now going out in the community without a family member for the first time in their lives. The individuals have also been connected with people who can support them to explore job opportunities.

In the old way of working the connection to Community Pathways may have taken longer or may not have really been considered.



## What did Adult Social Care in Wolverhampton do to achieve this?

In 2019-2020 the City of Wolverhampton Council has continued to improve support for people with dementia and their families.

Wolverhampton's Dementia Action Alliance (DAA) has been co-ordinating a wide range of activities to help people living with dementia and their families and carers this year.

### The impact was...

In May 2019, as part of Dementia Action Week, the DAA held two different events in the city.

The first was an event arranged by the DAA and the West Midlands Fire Service with Royal Wolverhampton School primary pupils and several tenants from Wolverhampton Homes. Some of the tenants have dementia and the purpose of the event was to work toward de-stigmatising the condition by helping young people learn more about the illness while enabling people with dementia and their carers to talk about their experiences.

The event was a real success as it encouraged people of all ages to find out more about each other and bond over the fire dogs. Conversations ranged from the work of the fire dogs to the difference in PE kit and schools!

*A second event was a marketplace at the Mander Centre on 21 May 2019. Feedback was very positive and showed what a difference it made for people:*

“I have been searching for something like this for a while; so happy we found it.”

“The stalls were excellent; very informative and helpful.”

“It was helpful and useful; spoke to relevant people who were able to support and signpost to the right service with a contact number.”

Work has been done this year to increase the number of people who are Dementia Friends, particularly focussing on schools and as a result, more than 500 children, aged 7-18, have become dementia friends.

The new **Joint Dementia Strategy for Wolverhampton 2019-2024** has been approved. You can read the strategy and find out more about our range of **Dementia Services** and how you can get help and advice by clicking **HERE** or visiting [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk) and searching for "**Dementia**".

## What did Adult Social Care in Wolverhampton do to achieve this?

There has been continued focus this year on improving the community offer, including increasing knowledge of the local community and supporting the growth of new community groups.

One way this has been done is by Community Talking Points which are organised by the Community Support Team and take place in various venues accessible to the public.

Community Talking Points are opportunities for people to talk to someone about what is happening in their local area and get information and advice. They take place most weeks across the city in places such as libraries, health clinics and New Cross Hospital.

### The impact was...

The Community Support Team have supported more people this year, as they helped 1350 people compared to 1210 in 2018-2019.

The Community Support Team have organised 71 Community Talking Points this year, significantly more than the 51 that were organised in 2018-2019.

Workers from the Carer Support Team have been based at Community Talking Points throughout the year to identify “hidden” carers and promote the role of carers. This resulted in a carers group being set up in Wednesfield by a local café owner and a local business in Low Hill was keen to offer carers the opportunity to meet and have a “cuppa” in their local community.

*Other events that the Community Support Team organised included:*

- “Tea and Chat” - with more than 25 people regularly attending.

**“Tea and Chat”** is an event that allows people to come along for a “cuppa” and a chat and is aimed at people who feel isolated and lonely. However, anyone is welcome to attend.

**This event has been so popular that it was extended to twice monthly.**

- A Community Market Place - to connect people to information and advice. This included the Fire Service, Healthy Minds, Healthwatch and the Citizen’s Advice Bureau. Over 80 people attended throughout the day.

# Progress in 2019-2020



## Outcome 4



Safeguarding Adults Whose Circumstances Make Them Vulnerable and Protecting Them from Avoidable Harm

### What this outcome means:

- Everyone enjoys physical safety and feels secure.
- People are free from physical and emotional abuse, harassment, neglect and self-harm.
- People are protected as far as possible from avoidable harm, disease and injury.
- People are supported to plan ahead and have the freedom to manage risks in the way that they wish.

**DRAFT**  
**2,668**      **75%**

**Safeguarding Concerns**  
raised in 2019-2020  
compared to **2,290 in 2018-2019**  
which is an increase.

of people who use a service  
said that they feel safe;  
slightly higher than last year  
and higher than the  
national average which is 70%.

**84%**

said that services help  
feel safe and secure;  
this is similar to last year  
when it was 83% and lower than  
the national average.

**90%**

of people said their desired  
outcomes were fully or partially  
achieved during an enquiry  
which is just under the  
national average of 92%<sup>7</sup>.

<sup>7</sup> Safeguarding Adults England 2019-20

## Making Safeguarding Personal

The Multi Agency Safeguarding Hub (MASH) received a safeguarding concern about Nazreen and her adult son, Adi. Nazreen had reported to police that she had been abused by Adi for the past 10 years. Adi was described as having mental health difficulties and had witnessed domestic abuse as a child, which had a traumatising effect. When the MASH social worker asked Nazreen about what she wanted to happen as a result of the safeguarding process, she said that all she wanted was for her son to have support with his mental health. The social worker liaised with all the relevant partner agencies including police and health and connected to the Multi- Agency Risk Assessment Conference (MARAC) where it was again made clear that Nazreen's desired outcome was to get help for her son.

Adi was arrested but his mother refused to make a statement. Therefore, he was released without charge. The MASH social worker asked a Mental Health social worker to make contact with Adi. This contact was made the following day whereas prior to The Three Conversations© Adi might have been placed on a waiting list and not spoken to by anyone for some time.

Adi was very keen to be supported to move into his own flat and came to realise how his behaviour had affected his mother. He expressed appreciation to the Mental Health social worker for not being patronising or judgmental as others had.

Adi was supported to move out of the family home and into his own home with the goal of helping him to take control of his life. Nazreen was also connected to the Carer Support Team who completed a Carer's Conversation and she was given advice and support.

There was a really strong multi-agency response which included the Independent Domestic Violence Advocate (IDVA), Police, Mental Health, Adult Social Care, GP and Carer Support Team. Adi is now getting the help and support he needs and feels listened to for the first time. Nazreen says that she can keep herself safe and now knows how to get support.

## What did Adult Social Care in Wolverhampton do to achieve this?

Some of the services provided by the Council are regulated services and receive regular inspections by Care Quality Commission (CQC).

CQC is the independent regulator of health and adult social care services in England. They make sure the care provided by services such as hospitals, dentists, care providers, ambulances, etc. meet the government standards of quality and safety.

The Council has achieved four Care Quality Commission (CQC) "good" ratings for its regulated services over the last three years.

Bradley Resource Centre and the HARP service were both inspected in 2019.

### The impact was...

CQC inspectors found that both services are effective, caring, responsive and well led and that people who are supported by HARP and Bradley feel safe. Both services have good infection control practices, and staff at both services had a good understanding of safeguarding.

*People supported by HARP and Bradley told inspectors:*

#### HARP:

"They are all very professional and are wonderful carers. I definitely feel safe with them."

"They ask if it is ok with me before they do anything for me."

#### Bradley:

"The staff are lovely and have loads of patience. We've had good relationships and they know me well. I feel very valued."

You can read the full report for **HARP HERE** or by visiting [win.wolverhampton.gov.uk](http://win.wolverhampton.gov.uk) and searching for "**HARP**".

You can read the full report for **Bradley Resource Centre HERE** or by visiting [win.wolverhampton.gov.uk](http://win.wolverhampton.gov.uk) and searching for "**Bradley Resource Centre**"

To find out more about **CQC** and how to contact them if you have a concern, visit [www.cqc.org.uk](http://www.cqc.org.uk)

## Progress in 2019-2020



### Outcome 5



#### Value for Money, Buying and Use of Resources

#### What did Adult Social Care in Wolverhampton do to achieve this?

Making sure there are good quality, effective local care and support services available in the independent sector is important to the City of Wolverhampton Council.

The Council's Quality Assurance and Compliance (QAC) Team monitors the quality of its care and support contracts. The team works in partnership with care providers where additional support is required to meet the expected quality and standards.

#### The impact was...

Any service providing care that is defined in the Health and Social Care Act 2008 as a “regulated activity” has to be registered with CQC to be legally allowed to provide care. In Adult Social Care this is usually residential and nursing homes and agencies providing care in people’s own homes, also called domiciliary care.

The majority of services in the city are rated good or above.

The data below shows the local CQC ratings for those services who are providing regulated activities in the city and how this compares nationally. This shows that at the end of March 2020, our local CQC ratings were similar to national figures.

National figures have been taken from **CQC's State of Care Report (2019-2020)**, to find out more, click [HERE](#).

#### City of Wolverhampton Council and National CQC Rating of Care Provision in Wolverhampton 2019-2020:

**2% Outstanding** (4% Nationally)

**74% Good** (80% Nationally)

**23% Requiring Improvement:** (15% Nationally)

**2% Inadequate:** (1% Nationally)

## What did Adult Social Care in Wolverhampton do to achieve this?

The Welfare Rights Service has been continuing to support the City of Wolverhampton Council and its residents this year in several ways including:

- Benefits information, advice, advocacy and representation, support with disputes and appeals.
- Training and consultancy - including Universal Credit training.
- A Benefit Bulletin Newsletter.
- Information guides for advisors and residents.
- Provision of information and advice to social work teams supporting people with care and support needs.

### The impact was...

The Welfare Rights Service has supported people in the city to claim over £16.1 million in annualised benefits in 2019-2020.

There was also £1.7 million in annualised revenue gains for the City of Wolverhampton Council this year through Adult Social Care increased contributions. These gains come from the Welfare Rights Service supporting people to maximise their benefits where they are receiving a chargeable service from the City of Wolverhampton Council.

**Over 300 satisfaction cards were received about the Welfare Rights service this year.**

“Thank you so much for your friendly and efficient service. Your kindness made a very difficult situation easier for me.”

“The Welfare Rights Officer was very good and supported me fully. She even came to accompany me to the appeal on her non-working day.”

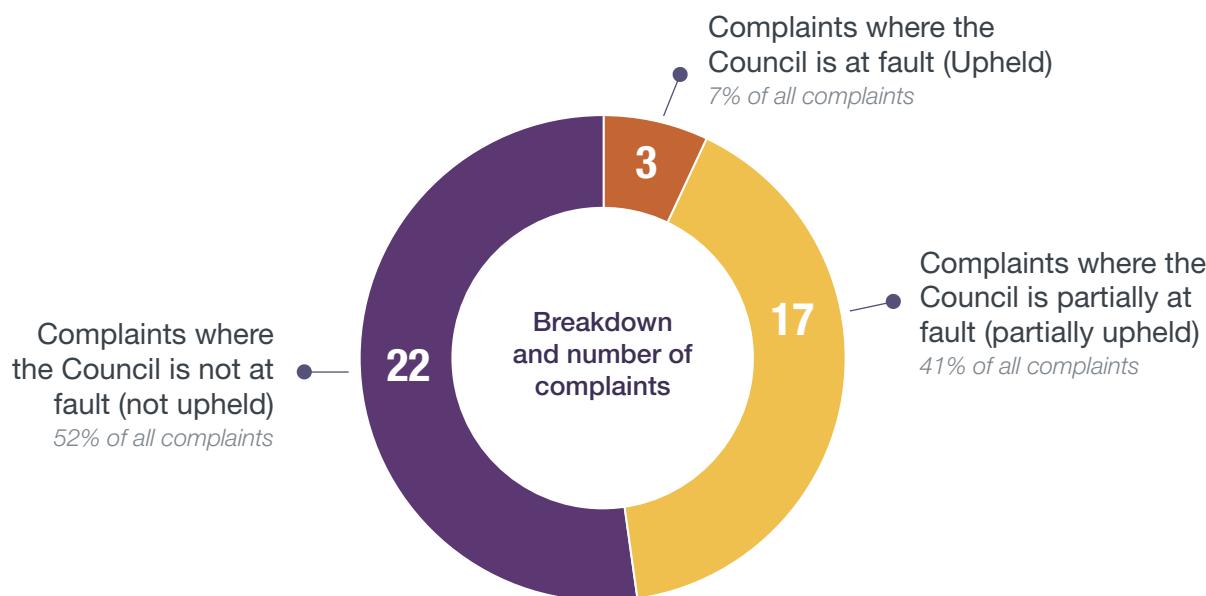
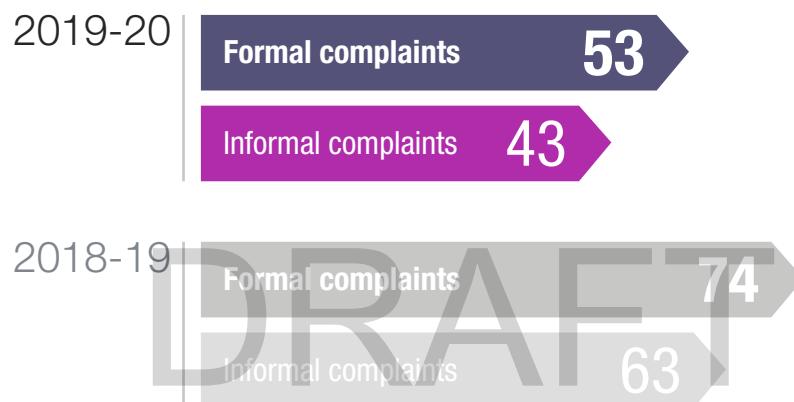
“The service was amazing in every way possible. Thank you very much indeed.”

# Compliments and Complaints

The City of Wolverhampton Council welcomes feedback to help identify where things are working well and to highlight where improvements may be needed. Each year the Council analyses all the complaints that have been received and makes sure that any learning is communicated to teams.

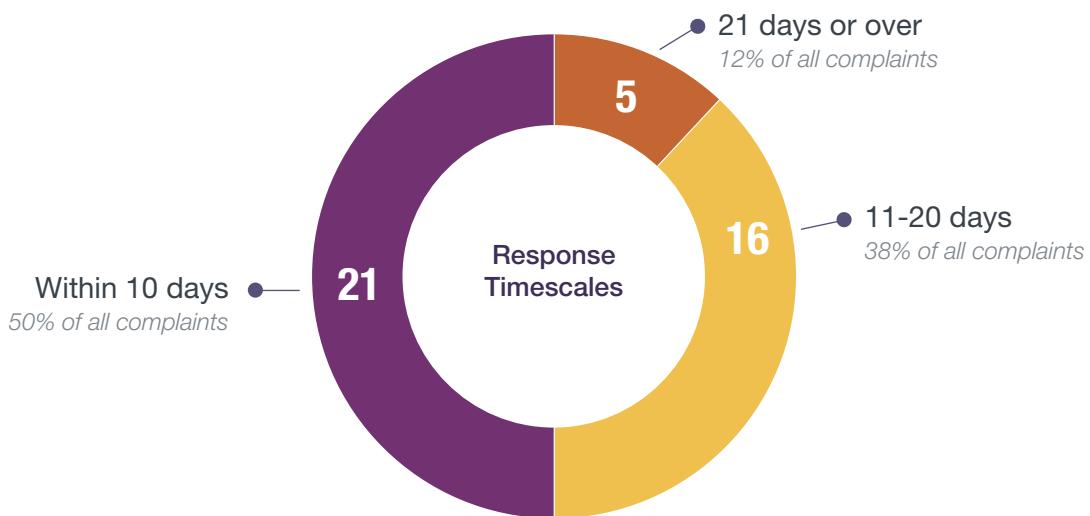
In 2019-2020, 4552 people received a service from Adult Social Care in Wolverhampton. From this number there were 53 formal complaints, compared to 74 the previous year and 81 in 2017-2018, which shows a year on year decrease.

From the 53 complaints received in 2019-2020, 42 were concluded and resolved in the year, with the remaining 11 being carried forward to be resolved later in 2020.



## Response Timescales for complaints closed during 2019-20

50% of complaints were responded to within 10 days, which is slightly less than last year when this was 59%.



The average number of days to respond to and close all complaints over the year was eleven days which is about the same as last year. If a complaint is complex it may take longer to resolve, but people are updated regularly on the progress of their complaint.

**There were fewer compliments this year compared to last year:**



There were two Local Government Ombudsman (LGO) investigations and enquiries this year (fewer than in 2018-2019 when there were nine); neither of these were upheld.

During 2019-2020, a number of complaints led to improvements and changes being made. For instance, there was one complaint about an issue which occurred in a care home. In response to this complaint, the Quality Assurance and Compliance Team are working with the care home to help them maintain and improve the quality of care provided.

# What's Next? Priorities for Adult Social Care in Wolverhampton in 2020-2021

It is important that we recognise the significant and devastating impact the Covid-19 pandemic has had on the country from March 2020 onwards. Adult Social Care in Wolverhampton has had a vital role to play and has worked with partners, including health colleagues, public health and care providers amongst many others to make sure people and families continue to get the support they need and to stay safe.

Responding to the pandemic will naturally be the top priority for 2020-2021 and the next Local Account will detail how Adult Social Care has responded and how we have worked tirelessly to support local people and communities during this challenging and unprecedented time. Our priorities will also link to the Council's Relighting Our City Recovery Plan, which you can read more about here: [wolverhamptonrecovery.commonplace.is/about](http://wolverhamptonrecovery.commonplace.is/about)

Although Covid will feature heavily in our plans for 2020-2021, it is still important that we set out what priorities have been highlighted by this year's Local Account. This includes:

- Making sure people are able to leave hospital as soon as they are well enough.**

This is an ongoing priority. Most of us know that staying in hospital longer than is necessary can have a detrimental impact on people's health and wellbeing, as well as putting increased pressure on already strained health services. The City of Wolverhampton will continue to work to reduce the amount of time people spend waiting to leave hospital and it is important that there is ongoing progress next year.

- Supporting more people with care and support needs to have more choice and control and be able to live their idea of a good life.**

Some people will always need ongoing care and support and it is important for us to make sure this support is built around what a "good life" looks for the person and their family and is delivered in a way that reflects their uniqueness and individual circumstances. To help achieve this we will continue to embed our Three Conversations© approach to ensure all of Adult Social Care is working in a way that focuses on what's strong and not just what's wrong. One way to achieve this will be to continue to promote direct payments and ISFs, as well as connecting people to people and places which link to the person's idea of a good life which could mean supporting them to get a job, have their own home or meet new people.

- Continuing to support people with care and support needs to live as independently as they can in their own homes, for as long as possible.**

Being able to live in the place we call home, spending time doing things we enjoy and being with people who matter is important to all of us. To help achieve this priority there will be a continued focus on working and thinking differently as part of the Three Conversations© approach. Other teams will also have a crucial role to play including, reablement, telecare, Occupational Therapy and the Carers Support team.

Although this was also a priority for 2019-2020 and good progress has been made, there is potential for further improvement.

# Jargon Buster<sup>8</sup>

**Community Support Team** - The Community Support Team is an advice and information service that aims to enable people over the age of 18, living in Wolverhampton to continue to live independently. The Community Support Workers offer a range of Information and advice individually tailored for the person and puts them in touch with appropriate organisations and sources of support.

For more information click **HERE** or visit [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk) and search for “Community Support Service”

**Community Talking Points** - The Community Support Team see people at a number of venues across the city, which are called Community Talking Points.

**Delayed Transfers of Care (DToC)\*\*** - When a person is ready to move from hospital to another type of care, but the care they need is not available, meaning they spend longer in hospital than medically necessary.

**Disabled Facilities Grant\*\*** - A grant that a person who has a disability might be able to get from their Local Authority to pay for changes to their home that make the home safer or easier to use (examples include widening doorways, adding ramps or adding a downstairs bathroom).

**Forensic Team\*\*** - Support for people with a learning disability who may be a risk to others, or who have been, or could be, involved in

the criminal justice system. Support may be provided in a secure hospital or in the community.

**Huddles** - Meetings where teams within the Council come together to share ideas and expertise in order to ensure that people who need help from Adult Social Care have the most appropriate support available to them.

## Independent Domestic Violence Advisor

**(IDVA)<sup>9</sup>** - Trained specialists who support people who are at risk of harm from intimate partners, ex-partners or family members.

For more information on IDVA click **HERE**

**Life Planning Team** - An independent service commissioned by the CCG to provide individualised additional support for the person leaving hospital. The supported person has an identified worker who works alongside the social worker and others to make sure that the person's wishes and feelings are heard.

## Local Government and Social Care

**Ombudsman (LGO)** - An independent service which investigates individual complaints about local councils, all Adult Social Care providers and some other organisations providing local public services.

**Making Safeguarding Personal (MSP)** - Making Safeguarding Personal (MSP) means that we work with people to help keep them safe and achieve their goals.

<sup>8</sup> Definitions marked with \*\* have been taken or adapted from the Think Local Act Local (TLA) Jargon Buster.

<sup>9</sup> <https://blackcountrywomensaid.co.uk>

**Multi Agency Risk Assessment Conference (MARAC)\*\*** - A meeting where information is shared between different organisations (such as the Council, police, health services and others) about individuals who are at high risk of domestic violence or abuse.

**Multi-Agency Safeguarding Hub (MASH)\*\*** - The single point of contact for all early help and safeguarding concerns regarding children and young people in Wolverhampton and for all safeguarding concerns concerning adults. It brings together expert safeguarding professionals, making the best possible use of their combined knowledge and information to keep people safe from harm.

**Outcomes\*\*** - An aim or objective a person would like to achieve or something that needs to happen for that person to remain safe and healthy.

**Personal Budget\*\*** - Money that is allocated to a person by the local council to pay for care or support to meet the person's needs. Two types of personal budgets include:

- **Direct Payments\*\*** - the person or someone on the person's behalf manages their own personal budget and arranges support services for themselves.
- **Individual Service Fund (ISF)\*\*** - The person maintains control over how their personal budget is spent but a provider (such as for home care) takes the responsibility for managing the budget.

**Reablement\*\*** - A way of helping people remain independent, by giving them the opportunity to relearn or regain some of the skills for daily living that may have been lost as a result of illness, accident, disability or a period in hospital.

#### **Special Education Needs and Disability (SEND)**

**(SEND)** - A child or young person has special educational needs and disabilities if they have a learning difficulty and/or a disability that means they need special health and education support. This is shortened to SEND.

**Strengths Based Approach\*\*** - A way of working with people while focusing on their abilities rather than doing things for people or focusing on what they cannot do.

**Supported Internship<sup>10</sup>** - A supported internship is a type of study programme specifically aimed at young people aged 16 to 24 who have an Education, Health and Care Plan who want to move into employment and need extra support to do so.

For more information on **Supported Internship**, click **[HERE](#)**

**Telecare\*\*** - Technology that enables a person to remain independent and safe in their own home, by linking their home with a monitoring centre that can respond.

**The Care Quality Commission (CQC)** - The independent regulator of all health and social care services in England.

<sup>10</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/868461/Supported\\_Internships\\_Research\\_Report\\_February\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/868461/Supported_Internships_Research_Report_February_2020.pdf).

**Transforming Care Programme (TCP)\*\* -**

A national programme to make sure that people with learning disabilities and/or autism are supported to move out of hospital where they may have been living for a long time and into the community and to prevent unnecessary admissions to care / hospital.

**Trusted Assessor\*\*<sup>11</sup>** - A professional who is trusted to understand a person's needs on behalf of one or more organisations, such as a local council, care provider or hospital, so that the person only needs to be spoken to once.

To read more about Trusted Assessors,  
click **HERE**

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<sup>11</sup> [https://www.cqc.org.uk/sites/default/files/20180625\\_900805\\_Guidance\\_on\\_Trusted\\_Assessors\\_agreements\\_v2.pdf](https://www.cqc.org.uk/sites/default/files/20180625_900805_Guidance_on_Trusted_Assessors_agreements_v2.pdf)

# Useful Contact Numbers

Adult Social Care ( <i>Office hours</i> ):	01902 555392
Adult Social Care ( <i>Emergency out of hours</i> ):	01902 552999
Bradley Resource Centre:	01902 553543
Carer Support Team:	01902 553409
Community Pathways:	01902 553323
Community Support Team:	01902 553445
Direct Payments:	01902 551294
Enable:	01902 554040 or 01743 276900
HARP:	01902 553452
Independent Living Service:	01902 553666
Telecare Service:	01902 553585
Sensory Disability Service:	<a href="mailto:ilsott@wolverhampton.gov.uk">ilsott@wolverhampton.gov.uk</a>

We are committed to preventing the abuse of adults. If you suspect someone is being abused, call us on **01902 551199**. If immediate action is needed dial **999**.

## Feedback

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*Please note that in order to protect the confidentiality of the people who have shared their stories, some names and details may have been changed.*

# DRAFT

# DRAFT

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Wolverhampton WV1 1SH

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 February 2021</b>
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<b>Report title</b>	Determined Admission Arrangements for Community and Voluntary Controlled Schools 2022-2023		
<b>Decision designation</b>	AMBER		
<b>Cabinet member with lead responsibility</b>	Councillor Dr Michael Hardacre Education and Skills		
<b>Key decision</b>	Yes		
<b>In forward plan</b>	Yes		
<b>Wards affected</b>	All Wards		
<b>Accountable Director</b>	Emma Bennett, Director of Children's and Adult Services		
<b>Originating service</b>	Children's Services		
<b>Accountable employee</b>	Bill Hague	Head of School Business and Support	
	Tel	01902 5551000	
	Email	<a href="mailto:Bill.hague@wolverhampton.gov.uk">Bill.hague@wolverhampton.gov.uk</a>	
<b>Report to be/has been considered by</b>	Education Leadership Team	28 January 2021	

#### **Recommendations for decision:**

The Cabinet is recommended to:

1. Approve the Co-ordinated Admission Schemes for secondary and primary school admissions at the normal year of entry for 2022-2023 and that the Secretary of State be notified by 28 February 2021.
2. Approve the proposed admission arrangements for community and voluntary controlled schools for 2022-2023.

## **1.0 Purpose**

- 1.1 To approve the schemes for co-ordinated school admission arrangements for secondary and primary schools and the admission arrangements for community and voluntary controlled schools for 2022-2023.

## **2.0 Background**

- 2.1 In accordance with legislation and the Schools Admission Code, each Local Authority is required to draw up a scheme (or schemes) for co-ordinating admission arrangements for all mainstream, maintained schools (community, voluntary controlled, voluntary aided, foundation and academies) within their area.
- 2.2 In addition, each Admission Authority is required to determine admission arrangements every year. The City of Wolverhampton Council's (CWC) responsibility in this regard is for the Community and Voluntary Controlled Schools in Wolverhampton. For academies the academy trust(s) are the admitting authority not CWC, however some academies follow CWC admission arrangements.

## **3.0 Admission Arrangements for Determination**

- 3.1 There are no proposals for changes to the admission arrangements
- 3.2 The Local Authorities within the West Midlands and beyond operate an inter-Local Authority scheme for primary and secondary admissions. There are no proposals to change the schemes in this regard.
- 3.3 For 2022-2023 the CWC will maintain waiting lists for primary schools including year two to three transfers and secondary schools until 31 December 2022.
- 3.4 During the Autumn term 2020, Governors were asked to consider their recommendations in respect of their school's Published Admission Number (PAN). Work is ongoing with regards to ensuring a sufficient level of school places is available in future school years.

## **4.0 Evaluation of alternative options**

- 4.1 One alternative option may have been to propose changes to the admissions arrangements. However, a full consultation was conducted in 2015, and the current arrangements are compliant with the School Admissions Code 2014.

## **5.0 Reasons for decision(s)**

- 5.1 As prescribed by The School Admissions Code 2014, Admission authorities must set (determine) admission arrangements annually. If there are no changes to admission arrangements, they must be consulted on at least once every seven years. A full consultation was conducted in 2015.
- 5.2 There are no proposed changes to the admission arrangements and they comply with the mandatory provisions of the School Admissions Code 2014.

## **6.0 Financial implications**

- 6.1 The Schools Admissions service is funded largely through the Dedicated Schools Grant as an approved centrally managed service. There are no specific financial implications arising from this report.  
[TS/16122020/R]

## **7.0 Legal implications**

- 7.1 School admission arrangements are heavily regulated by the School Standards and Framework Act 1998 as amended by the Education and Skills Act 2008. Regulations also apply and the CWC is required to comply with the School Admissions Code in relation to admission arrangements.
- 7.2 The Schemes for co-ordinated admissions and the Admission arrangements for Wolverhampton community schools, voluntary controlled schools, free schools and academies comply with the current relevant legislation.  
[TS/16102020/W]

## **8.0 Equalities implications**

- 8.1 Initial screening was carried out (equality analysis-stage one-initial analysis) and no significant impacts have been highlighted.

## **9.0 All other implications**

- 9.1 The City of Wolverhampton school admission arrangements allow for a child with an Education Health and Care Plan which names the school to be admitted.
- 9.2 The oversubscription criterion includes children and young people in care and in care as the highest criterion.
- 9.3 The criterion allows for medical and social claims for a preferred school to be considered

## **10.0 Schedule of background papers**

- 10.1 School Admissions Code 2014 and School Admissions Regulations 2012.

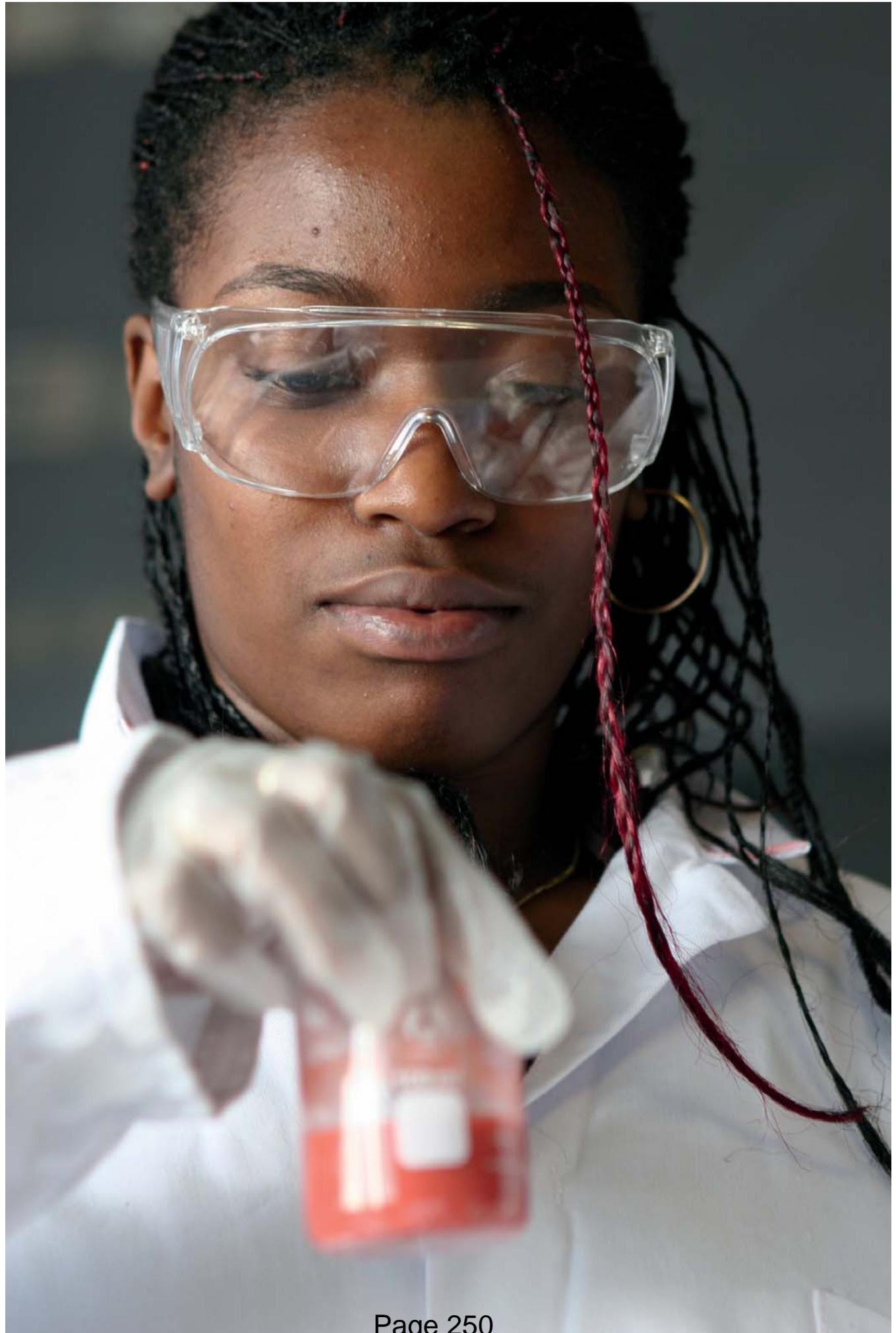
## **11.0 Appendices**

- 11.1 Appendix 1 – School Admission Arrangements 2022-2023.

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## School admission arrangements 2022 - 2023





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# 1

## Overview of the application process

The scheme is an “Inter-Local Authority” scheme whereby Birmingham, Dudley, Sandwell, Shropshire, Staffordshire, Telford and Wrekin, Walsall and Wolverhampton Local Authorities have agreed to co-ordinate applications for their schools to ensure that each child receives the best possible single offer of a place at a school, based upon parents’ preferences.

### In brief terms:

- Parents whose child has an Education and Health Care Plan follow separate admission procedures through the Statutory Assessment or Annual Review process.
- Parents will only have to fill in one application form, on which they will state their school preferences and reasons for those preferences. Applications are made online;
- Five preferences are invited;
- Initially, all preferences are treated as equal, and sent out as equal to other admission authorities as appropriate (i.e. voluntary aided and academy schools in Wolverhampton, and other participating Local Authorities as detailed above).
- After over-subscription criteria have been applied (where appropriate), if more than one school place can potentially be offered, the single offer is for the available school the parent ranked highest on the preference form.

# 2

## Primary admissions

Including admission into Reception Year and transfer from Infant to Junior education.

### Admission into reception year

**If your child was born between 1/09/2017 and 31/08/2018 you must apply for a place in Reception Year before the 15 January 2022.**

The online application will go live in November 2021, hard copies of the form will only be made available on request. Parents are invited to name and give reasons for applying for up to 5 preferred schools, ranked in order of preference, by 23:59 **15 January 2022**. Parents should name all schools (to a Maximum of 5), for which they wish their child to be considered for a place, including any Voluntary-Aided schools, Academies or Free schools and/or any school outside the Wolverhampton area.

By **14 February 2022**, the admissions and appeals team will send other Local Authorities and own Admitting Authority Schools details of applicants for their schools. These details will not reveal the order of preference. All Own Admitting Authority schools will apply their over-subscription criteria, and return their complete ranked list of applicants to the admissions and appeals team who will then compare the potential offer lists. If more than one school place can potentially be offered, a place will be allocated at the available school that the parent ranked highest on their application.

On **19 April 2022** parents who made their applications online will be able to view their allocation via the online admissions facility. The admissions and appeals team will also write to every applicant resident in Wolverhampton telling them of their allocated school place.

**Parents will be required to respond to any offers made within 10 school days.**

## Transfer from infant to junior education

There are Infant Schools in Wolverhampton which cater for children up to the age of seven. At this point there is an expectation that pupils will transfer to the corresponding Junior School.

Parents of children attending a Wolverhampton Infant School will receive a letter from the Local Authority in the Autumn Term 2021 informing them that their child will automatically transfer to the corresponding Junior School.

If the parent wishes for this to happen they will need to take no action. If, however they wish to apply for a place in a Primary School they should make an application via the online application system.

## Primary school application timeline

### 2021

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By 10 Nov     Online application is made live

### 2022

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15 Jan	Closing date for application forms to be submitted
11 Feb	The final date for late applications
14 Feb	City of Wolverhampton Council sends/receives unranked preferences to/from other authorities
1 Mar	Schools submit final lists of applicants in ranked order
9 Mar	Wolverhampton provisionally allocates places
By 29 Mar	Final data exchange with co-ordinating authorities
19 Apr	Allocation day

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# 3

## Secondary school applications

**Children born between 1/9/2010 and 31/8/2011 will commence secondary education in September 2022. Parents must apply for a secondary school place before 31 October 2021.**

The online application is made live in **September 2021**. Applications should be made online, hard copies of the form will only be made available on request. Parents are invited to name and give reasons for applying for up to 5 preferred schools, ranked in order of preference, by **23:59 31 October 2021**. Parents should name all schools (to a Maximum of 5), for which they wish their child to be considered for a place, including any Voluntary-Aided schools, Academies or Free schools and/or any school outside the Wolverhampton area, with the exception of any independent schools.

By **18 November 2021**, the admissions and appeals team will send other Local Authorities and Own Admission Authority Schools details of applicants for their schools. These details will not reveal the order of preference. All admission authorities will apply their over-subscription admission criteria including any selection tests and return their complete ranked list of applicants to the admissions and appeals team who will then compare the potential offer lists. If more than one school place can potentially be offered, they will allocate a place at the available school that the parent ranked highest on their application.

On **1 March 2022** parents who made their applications online will be able to view their allocation via the online admissions facility.

The admissions and appeals team will also write to every applicant resident in Wolverhampton telling them of their allocated school place.

**Parents will be required to respond to any offers made within 10 school days.**

## Secondary school application timeline

### 2021

By 8 Sep	Online application is made live
31 Oct	Closing date for application forms to be submitted
18 Nov	City of Wolverhampton Council sends/receives unranked preferences to/from other authorities
29 Nov	The final date for late applications

### 2022

13 Jan	Schools submit final lists of applicants in ranked order
25 Jan	Wolverhampton provisionally allocates places
By 11 Feb	Final data exchange with co-ordinating authorities
1 Mar	Allocation day



# 4

## Admission criteria for community and voluntary controlled schools

A child with an Educational Health and Care Plan (EHCP) which names the school will be admitted. Remaining places are allocated as detailed below.

Where there are less applicants than the PAN, all children will be admitted. In the event the school is oversubscribed, the admission authority will apply the following oversubscription criteria in order of priority.

### 1. Children and Young People in Care and previous Children and Young People in Care

Children and young people in care are children who are in (a) in the care of the local authority, or (b) being provided with accommodation by a local authority in the exercise of the social services functions (see the definition in Section 22(1) of the Children Act 1989) at the time the application is made to school. Previously looked after children are children who were looked after, but ceased to be so because they were adopted (or became subject to a child arrangements order or special guardianship order);

#### Supporting evidence

If the child is in the care of a local authority or provided with accommodation by that authority this must be indicated on the common application form and evidence (e.g. evidence of child in care from the placement authority) to support this claim must be submitted with the common application form. If the child has previously been in the care of a local authority or provided with accommodation by them and has subsequently been adopted, or is subject to a child arrangements order or special guardianship order this must be indicated on the common application form and evidence (e.g. adoption certificate/copy of court order) to support this claim must be submitted with the common application form.

**2. Children attending the corresponding Infant School  
(Infant to Junior transfers only)**

**3. Medical/social**

Whether there are specific medical or social circumstances that can be met only by the child's attendance at the preferred school.



**Supporting evidence**

If parents believe there are specific reasons, medical or social, for claiming priority for their child to attend a particular school these special factors must be indicated on the form and evidence (e.g. a letter from a registered health professional such as a doctor or a social worker) to support this claim must be submitted with the common application form. The information submitted must state clearly the effects of the condition/illness and why the preferred school is the only school that can meet their child's needs. This is necessary because parents would be asking the Authority to assess their child as having a stronger case than many other children, even some who live closer to the school in question than they do. The information provided will be used to prioritise the request for a particular school. Please note that only in exceptional cases are places prioritised in respect of a child's/parent's medical/social grounds.

**4. Siblings**

Whether siblings attend the school (or the associated Infant/Junior School) and will be attending the school in September 2022.  
See definition of a sibling on page 21.

## 5. Religious reasons for voluntary controlled schools (PRIMARY ONLY)

To a child and family who has religious reasons for attending the preferred voluntary controlled school and for whom it can be demonstrated by the faith leader that s/he has current strong religious connections. This reason will only be taken into consideration if the preferred school is the nearest Church of England (voluntary controlled or voluntary aided)school to the child's home address (measured by a straight line from the home address to the school using the Local Authority's software).



### Supporting evidence

A Supplementary Information form will be provided for parents and your faith leader to complete, to enable them to demonstrate your child and family's current strong religious connections.

## 6. Distance

How close the child lives to the school requested with those living closest to the school getting the highest priority. The distance from the applicant's home and school is taken in a straight line between the respective school and the child's home address. The distance is measured using the Local Authority's software. If there are a limited number of spaces available and we cannot distinguish between applicants using the above criteria, children who live in the same block of flats will be offered the available spaces randomly selected by drawing lots.

# 5

## Additional arrangements and information

### Applications for children to be admitted outside their normal age group

Parents who wish for their child to be considered for admission to a class outside of their normal age group must make an application for the normal age group in the first instance by 15 January 2022.

This will include Parents of a “summer born child” that may choose not to send that child to school until the September following their fifth birthday and may request that they are admitted out of their normal age group – to reception rather than year 1. Any parent wishing to make such a request must put the request in writing to the Admissions and Appeals section no later than 15 January 2022.

This request should be in the form of a written letter of application outlining the reasons why they wish for their child to be admitted into a class outside of their normal age group and enclosing any supportive evidence and documentation that they wish to be taken into account as part of that request.

Requests will be considered on an individual basis and decisions will be reached by taking account of the parent's views; information about the child's academic, social and emotional development; where relevant, their medical history and the views of a medical professional; whether they have previously been educated out of their normal age group; and whether they may naturally have fallen into a lower age group if it were not for being born prematurely. The view of the head teacher of the school concerned will also be sought as part of the decision-making process.



If the request is agreed and the year group for which the parents have requested a place is for a future year group, i.e. Reception in September 2023, then the original application is withdrawn and the parents must submit a fresh application for Reception 2023 when applications open in the autumn term of 2022. Please note that parents only have the right to re-apply for a place. Where the decision is to agree the request for an application in Reception the following year, that application is considered alongside all other applications received and parents will be advised of the outcome of that application on national offer day. No place is reserved or held for the child in advance.

Before any application is submitted it is strongly recommended that parents/carers also read the DFE guidance which can be found at:

<https://www.gov.uk/government/publications/summer-born-children-school-admission>



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## **Changes of address (occurring during the allocation process)**

In these circumstances - or if a query arises in respect of your child's place of residence - you will be required to supply evidence of your new address. This would need to be validated by documentary evidence such as a solicitor's letter confirming the completion of a house purchase or rent book confirming tenancy.

## **Deferred entry**

A child's parents may defer the date at which their child, below compulsory school age, is admitted to the school, until later in the school year but not beyond the point at which they reach compulsory school age and not beyond the first day of the summer term 2023. A child may take up a part-time place until later in the school year, but not beyond the point at which the child reached compulsory school age. Upon receipt of the offer of a place a parent should notify the school, as soon as possible, that they wish to either defer their child's entry to the school or take up a part-time place.

## **Financial implications**

There is no charge or cost related to the admission of a child to a Wolverhampton school.

## **Fraudulent or misleading applications**

The Local Authority will follow up any reports they receive that allege that a fraudulent or misleading application has been made.

Parents can alert the Local Authority of any potential fraudulent applications by contacting the Admissions and Appeals team. Contact details are published in the composite prospectuses.

## **Late applications**

Applications received after the closing date will be treated as late.

Applications received after the closing date and before the final date for late submissions with approved written evidence will only be incorporated into the initial allocation process if the late submission is for a valid reason or parents can demonstrate a material change of circumstances (see page 16).

When submitting late applications parents must give reasons in writing and supporting documentary evidence for the late submission. The appropriate admission authority will give consideration to the reasons, following which the application will be:

Either 1) incorporated into the initial allocation and assessed against the over-subscription criteria for the school(s) concerned

Or 2) considered only after all other applications.

Applications without written reasons for the late application or received after the final date for late submissions will only be considered after all other applications and the notification may be sent shortly after the national offer day.

## Material changes of circumstance

In claiming material changes of circumstances, the applicant, at the time of application, must supply documentary evidence to confirm the changes. An example of material changes of circumstances is a house move that necessitates a change of preferences. This would need to be validated by documentary evidence such as a solicitor's letter confirming the completion of a house purchase or rent book confirming tenancy. An impending change of circumstances should not delay the submission of the preference form.

If applicants' circumstances change during the course of making the application that relate to any of the published criteria it is the applicant's responsibility to provide evidence to the Admissions and Appeals Team as this may affect the outcome of the application.

## Sixth form admission arrangements for academy and community schools

Applications for admission to Sixth form will be dealt with by the school in accordance with the school's published admission arrangements.

Each school which admits pupils into Year 12 is required to publish in the school prospectus the minimum requirements for entry into sixth form.

Pupils already in school will not be required to apply formally for places in Year 12 but should have reached the minimum entry qualifications for admission into the sixth form.



Minimum entry requirements are the same for internal and external applications.

External applicants must not be refused the opportunity to make an application, or advised that they can only be placed on a waiting list rather than make a formal application

Pupils will be considered for entry into Year 12 based on their academic attainment and/or individual subject grade criteria and the availability and suitability of courses at the school. Entry to Year 12 is not dependent upon attendance, behaviour records, and perceptions of attitude or motivation.

Schools must not interview children or their families for entry to Year 12 although meetings can be held to provide advice on options and entry requirements for particular courses.

Any applicant refused a place in year 12 is entitled to appeal to an independent appeal panel whether the child is already attending the school or is an external candidate.

## Special educational needs

The admission of children with an Education and Health Care Plan (EHCP) will be agreed between the Local Authority's SEN Statutory Assessment and Review Team, parents and school in accordance with parental preference, as far as possible, and the child's individual needs. Children with an EHCP are given overall priority to the named school. This will reduce the number of places at the school, which are available for allocation in accordance with the above criteria.

## Supplementary information forms

In order to assess the application for Voluntary Aided schools and Academies parents are required to provide additional information to that collected on the preference form and should complete a "supplementary information form". For Wolverhampton schools these forms will be made available on the City of Wolverhampton Council website and they should be returned to the relevant school or schools by the specified date. In the case of Voluntary Controlled schools the supplementary information form must be returned to the Local Authority. Please note if the school is over-subscribed the additional information gathered will be used to determine the allocation of school places.

Parents who are applying for schools outside of Wolverhampton are advised to contact the appropriate LA to determine whether any Supplementary Information Forms are required, their submission date and to whom they must be submitted.

Parents should be aware that where a Supplementary Information Form is completed it will not be regarded as a valid application unless the LA has also received a completed application showing an expressed preference for the school concerned.

Similarly, if applicants are required to sit school tests they will be required to complete an "entrance examination registration" form.

## Tie breakers for over-subscribed schools

If there are an insufficient number of places to accommodate all the children of a particular criterion, the next criterion will be used to assess the applications concerned in order to prioritise applications.

## Unsuccessful applications and appeals

If the applicant is a Wolverhampton resident and the admissions and appeals team is unable to allocate a place at any of the preferred schools then a place will be allocated at the nearest Wolverhampton maintained school that has a place available. Allocations to Own Admitting Authority schools in this case would be made following consultation with the governing body concerned.

For Wolverhampton residents, where preferences cannot be met, the Admissions and Appeals Team will notify parents accordingly, setting out the reasons and advising of the right of appeal, how to lodge an appeal and to whom.

For other applicants for Wolverhampton schools the home LA will notify parents of the reasons why parental preference cannot be met and to whom any appeal should be lodged.

Parents are only entitled to one appeal per year group, per school, per academic year unless there is a material change of circumstances.

Further information can be found at  
[https://www.wolverhampton.gov.uk/education-and-schools/  
school-admission-appeals](https://www.wolverhampton.gov.uk/education-and-schools/school-admission-appeals)

## Waiting lists

If the applicant has not been allocated their first preference, the application will automatically be placed on a waiting list for the preferred Wolverhampton school or schools that were ranked higher than the allocated school.

Unless material changes of circumstances have been demonstrated a child's name will only be included on those lists for schools that were ranked higher on the application than the school allocated to the child and, therefore, if a child is allocated a place at the first preference school the child's name will not be added to the waiting list for any of the other preferred schools.

The waiting lists will be ranked in admission criteria order. As soon as places become vacant the LA on behalf of the admitting authorities will re-allocate those places from the waiting list, even if this is before appeals have been heard.

The Authority will maintain the waiting lists until 31 December 2022.

Requests for inclusion on waiting lists for non-Wolverhampton schools must be made in writing to the relevant local authority for the school concerned for assessment in accordance with their scheme.

A child's position on a waiting list is not fixed. This means that a child's position on the waiting list could go up or down during the time that it is on the list. Any late applications accepted will be added to the waiting list in accordance with the oversubscription criteria.

## Withdrawing offer places

Any allegations received by the admission authority of people providing false accommodation addresses when applying for school places shall be fully investigated and, if found to be true, allocated places may be withdrawn, as appropriate.

External applicants must not be refused the opportunity to make an application, or advised that they can only be placed on a waiting list rather than make a formal application.

Pupils will be considered for entry into Year 12 based on their academic attainment and/or individual subject grade criteria and the availability and suitability of courses at the school. Entry to Year 12 is not dependent upon attendance, behaviour records, and perceptions of attitude or motivation.

Schools must not interview children or their families for entry to Year 12 although meetings can be held to provide advice on options and entry requirements for particular courses.

Any applicant refused a place in year 12 is entitled to appeal to an independent appeal panel whether the child is already attending the school or is an external candidate.

# 6

## Definitions

### Sibling

For admission purposes, a sibling is a child who resides permanently at the same address as the child for whom a place is being requested, and is one of the following:-

- brother/sister
- half brother/sister (i.e. share one common parent)
- or stepbrother/sister (i.e. related by a parent's marriage)
- any other child for whom it can be demonstrated that s/he is residing permanently at the same address (e.g. under the terms of a residence order).

The sibling connection only applies where the child concerned has a sibling attending the school at the time of the application as well as at the time of admission, (i.e. for normal year of entry applications siblings are expected to be attending the same school in September 2022).

A sibling connection will not be accepted if the original place was obtained by using fraudulent or false information.

### Children and young people in care

Children and young people in care are children who are (a) in the care of the local authority, or (b) being provided with accommodation by a local authority in the exercise of the social services functions (see the definition in Section 22(1) of the Children Act 1989) at the time the application is made to school. Previously looked after children are children who were looked after, but ceased to be so because they were adopted (or became subject to a child arrangements order or special guardianship order)

## Home address

Parents are asked to provide their child's home address, i.e. the usual place of residence on weekdays and nights. Please note that childminder's addresses will not be accepted. This applies to both formal childminders and relatives and friends acting in a childminding capacity.

The home address of a pupil is considered to be the permanent residence of a child in a residential property when the place is offered. Documentary evidence relating to house moves taking place between National Offer Days (1 March 2022 and 19 April 2022 respectively) and the start of the academic year in September 2022 will be considered. The address must be the child's only or main residence and is either:

- Owned by the child's parent(s), carer(s) or guardian(s)
- Leased to or rented by the child's parent(s), carer(s) or guardian(s) under lease or written rental agreement.

Documentary evidence of ownership or rental agreement may be required together with proof of actual permanent residence at the property concerned.

Where parents have shared responsibility for the child and the child lives with both parents for part of the week then the main residence will be determined as the address where the child lives for the majority of the school week. If the child equally shares living with both parents, the parents must inform the Local Authority which address should be used for admission purposes and which parent will make the application. Parents will be requested to supply documentary evidence to support the address used for the application.



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in large print, Braille, audio or in another  
language by calling 01902 551155  
or order online here.

**wolverhampton.gov.uk 01902 551155**

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Wolverhampton WV1 1SH

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>17 February 2021</b>
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<b>Report title</b>	Revision to the Private Sector Housing Assistance Policy		
<b>Decision designation</b>	AMBER		
<b>Cabinet member with lead responsibility</b>	Councillor Jacqueline Sweetman City Assets and Housing		
<b>Key decision</b>	Yes		
<b>In forward plan</b>	Yes		
<b>Wards affected</b>	All Wards		
<b>Accountable Director</b>	Ross Cook, Director of City Environment		
<b>Originating service</b>	City Housing		
<b>Accountable employee</b>	Lynda Eyton Tel Email	Client Relationship Manager 01902 555706 <a href="mailto:lynda.eyton@wolverhampton.gov.uk">lynda.eyton@wolverhampton.gov.uk</a>	
<b>Report to be/has been considered by</b>	City Environment Leadership Team		2 February 2021

**Recommendation for decision:**

The Cabinet is recommended to:

1. Approve the revised Wolverhampton Private Sector Housing Assistance Policy effective from 1 April 2021.

**Recommendation for noting:**

The Cabinet is asked to note:

- 1 That the Private Sector Housing Assistance Policy continues to delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director for City Environment to approve discretionary awarding of grants outside the policy in exceptional circumstances via an Individual Executive Decision Notice.

## **1.0 Purpose**

- 1.1 This report sets out proposals to introduce additional and amend existing discretionary grants to the Council's Private Sector Housing Assistance Policy which sets out the policy for the provision of mandatory Disabled Facilities Grants and discretionary housing grants to vulnerable and disabled people through the Better Care Fund and some additional capital funding.
- 1.2 These revisions will provide greater flexibility in the use of funding provided for this purpose, by broadening the range of assistance the Council provides, assisting a greater number of vulnerable and disabled people with improvements and adaptations to their homes. This will help improve their independence and wellbeing so that they can carry on living in their own homes with the effect of preventing wider demand on hospital, council and residential/community care services.

## **2.0 Background**

- 2.1 Local authorities (LA) have a mandatory duty under the Housing Grants, Construction & Regeneration Act 1996 to provide grants, known as Disabled Facilities Grants (DFGs), towards the cost of works required for the provision of facilities for people living with disabilities. Funding for this is provided to the Council annually by central government via the Better Care Fund (BCF), with the expectation that LAs make use of the discretion provided under the Regulatory Reform Order (RRO) 2002 to spend these monies in more flexible and responsive ways to help support disabled residents on a wider preventative basis helping to reduce pressures on health and social care.
- 2.2 The Council currently provides both forms of assistance to those eligible occupants of owner occupied or privately rented homes as well as registered providers (RP) where relevant, set out in its Private Sector Housing Assistance (PSHA) Policy, as is required by the RRO 2002 for use of the discretionary element. Adaptations for disabled people in council owned property are not covered by this policy as they are funded through a budget allocation within the Housing Revenue Account.
- 2.3 In addition to government grant, the Council also provides some capital funding to assist residents in private sector housing via the affordable warmth grant to assist those in fuel poverty and vulnerable to the effects of living in a cold home with energy efficiency measures, the Safe Homes grant which provides remedial works to those who are at risk or are victims of domestic violence or antisocial behaviour and the Healthy Homes assistance, a repayable loan to pay for works to address living conditions that pose a threat to the occupants' health and safety. Awarding of this funding is subject to separate approvals.
- 2.4 The existing PSHA Policy was adopted by Cabinet in September 2018, which consolidated previous policy that had been adopted in intervening years. It was recommended that the policy would be reviewed to ensure that the financial assistance provided to residents remains relevant to wider council strategy and objectives, other

partner programmes in health and social care and makes best use of the ability to award discretionary grants.

### **3.0 Reviewing the Housing Assistance Policy**

- 3.1 Work to review the PSHA Policy has been carried out by a steering group, including representation from Housing Strategy, Adult Social Care, Public Health, Finance and the operational leads from Wolverhampton Homes to whom the delivery of Housing Assistance has been delegated. The steering group has overseen a full review of the policy to harmonise conditions across the various streams of assistance offered to support the development of a Home Improvement Agency by Wolverhampton Homes that will provide and coordinate advice, support and assistance to people living in the city to ensure that their home supports their on-going needs and reduces, prevents or delays any need for social care or health interventions wherever practical. The steering group reviewed emerging good practice regarding the wider use of DFG and engaged with Foundations, the Government's appointed advisory agency for best practice in extended use of the grant allowed under the RRO.
- 3.2 This review identified a number of additional discretionary grants that can be offered to vulnerable and disabled people due to the underspend of the DFG funding despite a growing number of referrals. This underspend is in part due to the complexity of the assessment process, delays between initial application and works being completed as the DFG can be inflexible and the requirement of means testing can lead to many eligible applicants abandoning their application. Underspending of DFG budgets is a national issue but an improved offer of services under the revised policy will ensure the more effective and efficient use of adaptations funding.
- 3.3 Based on the work of the steering group a number of proposed changes to the PSHA Policy were put forward for consultation which was undertaken across September and October 2020 for a seven-week period and included detailed presentations to Council Leadership teams, Wolverhampton Homes, Cabinet Member for City Assets and Housing and Cabinet Member for Adults. A letter was sent to all Councillors setting out the proposals. An online survey was made available to members of the public (also available in hard copy). In addition, the proposals were shared with a wide range of stakeholders including Registered Housing Provider partners, Social Care officers, Better Care Fund, NHS partners and other external partners and agencies, who were encouraged to feedback their views.

### **4.0 Proposal**

- 4.1 Approval is sought to amend the PSHA Policy to give the Council more flexibility to support disabled residents to live safely and independently in their own homes. This will enable more flexible, broader and joined up customer focused services to assist disabled and vulnerable people, by:
- Providing wider powers for the authority to make housing adaptions for those with a social care need who would otherwise require social care packages funded by the Council;

- Building on the Policy already in place which has been used for the provision of Small Adaptation's Grants for stairlifts, ramps and hoists and Bathroom Adaptations Grants;
  - Creating greater flexibility within the fund allowing the issues on a wider preventative basis to be addressed that cannot be covered using mandatory DFG;
  - Presenting an opportunity for people to remain in their own homes and live independently for longer, with those who receive a DFG adaptation on average staying in their own homes four years longer prior to needing further social care interventions.
- 4.2 The proposed changes to the assistance policy will complement the Council Plan priorities of 'Strong, resilient and healthy communities' and 'Better Homes for All' which encompasses city Housing Strategy priorities, specifically by;
- supporting residents with care and support needs to maintain their independence';
  - 'protecting the most vulnerable with the right care and support';
  - ensuring a 'safe and healthy home' is available to all the city's residents and;
  - providing 'access to a secure home'.
- 4.3 Additional areas of support funded through the DFG will be required to meet a necessary, appropriate, reasonable and practical test, they will be discretionary and will need to meet the central aim of the RRO which is to create greater flexibility within the fund and address housing issues on a wider preventative basis. It is therefore proposed to extend the use of the grant in a range of ways including supporting the use and accessibility of the DFG for example a Dual Residency Grant that supports the joint custody arrangement of a child requiring adaptations in both homes. There are grants that will help to prevent hospital admissions for example the Living Well Grant that will support individuals with a frailty, dementia, neurological disorder or considerable debilitating condition to remain at home and to support carers of those people with the above diagnosis, enabling rapid intervention to remain independent and in their own home. There are also grants that will support hospital discharge such as the Home not Hospital Assistance that will support Health and Social Care with the safe discharge to home where home is the reason a discharge cannot be achieved. Fuller details of the grants are set out at appendix 1.
- 4.4 Upon approval, roll out of the new policy will commence with full delivery of the proposed assistance from 1 April 2021.
- 5.0 Evaluation of alternative options**
- 5.1 Option one – adopt the proposed revisions to the PSHA Policy. Adopting the proposed changes to the policy will enable greater flexibility to meet the housing needs of disabled and vulnerable residents in the city, particularly where the mandatory grants process is discouraging vulnerable residents from accessing necessary adaptations to assist them to remain independent in their own home. This will have the benefit of reducing reliance on funded care packages and will contribute to a reduction in emergency hospital admissions. It will also make best use of the funding available.

- 5.2 Option two - do nothing. By not adopting the revised PSHA Policy it would limit residents to the assistance made available in the existing policy, which is limited and restrictive in parts, and does not make best use of the funds available to the Council to support disabled and vulnerable people make the adaptations to their homes that meet their needs to enable them to live independently for longer. This will have the impact of generating increased costs in the wider health and care system since those who could not access support/early intervention are likely to develop increased dependency needs i.e. domiciliary care/ residential care. It will also limit the council's ability to maximise spend of the funding available, limiting the number of people in need that can benefit from it.
- 5.3 Option three - partial acceptance of the policy. Adopting a selection of the proposals will provide a greater flexibility to meet need than currently exists and would improve access to grants and adaptions for those who are eligible; however, the full range of support could not be offered which would not make best use of the funds available to the Council and would mean some applicants needs would not be fully met.

## **6.0 Reasons for decision**

- 6.1 Option one, the adoption of the proposed revisions to the PSHA Policy is recommended. The proposed discretionary financial assistance will enable the council to provide flexible financial assistance which will enable many more people to have adaptations made to their home. The revisions to the policy provide greater access and availability of funding and enables the council to deal with more specialist cases in a controlled and prompt manner. This will help to promote wellbeing, prevent needs escalating and enable people with a disability to live in their homes independently.

## **7.0 Financial implications**

- 7.1 The Council receives in the region of £3.1 million DFG funding per year but has struggled to reach this level of spend. The forecast expenditure in 2020-2021 is anticipated to be in the region of £1.5 million which includes an additional allocation of £423,000 which is Wolverhampton's share of an increase in Disabled Facilities Grant funding nationally
- 7.2 Currently the Council has DFG grant of £7.4 million available to spend, with around £5.9 million expected to be available at 31 March 2021 to carry forward to future years.
- 7.3 Use of DFG funding will be maximised to fund all assistance in the policy that is eligible under the DFG funding rules. The remaining assistance that cannot be funded through the DFG is funded by external funding where available and/or through the General fund and is subject to separate annual approvals.
- 7.4 Financial assistance under this policy is at the discretion of the Council and awarding of assistance will depend on availability of funding.
- 7.5 Where feasible and appropriate discretionary assistance offered will require a charge to be placed on the property of the applicant meaning that the funding will have to be repaid

if the property is sold or otherwise changes hands. This will ensure that funds can be recycled without causing financial hardship to vulnerable applicants.

[JM/27012021/L]

## **8.0 Legal implications**

- 8.1 Disabled Facilities Grants are issued under the provisions of the Housing Grants, Construction and regeneration Act 1996. The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 enabled councils to offer discretionary financial assistance if they have a published policy. There is no restriction on the amount of discretionary assistance that local authorities may provide. Discretionary assistance may be given in addition, or as an alternative to a mandatory Discretionary Facilities Grant. The Council may take any form of security, including a charge on any property, for the whole or part of the assistance given for housing adaptions or other forms of assistance.
- 8.2 The Care Act 2014 introduced new statutory duties on Local Authorities. A disabled person may be entitled to assistance and services, including specifically aids and adaptations, which local authorities are under a duty to provide under the Care Act 2014 ("the Care Act"), regardless of whether or not a disabled facilities grant is available. It also includes promoting individual wellbeing and preventing needs for care by providing or arranging support, the provision of services, facilities and resources and meeting any unmet eligible needs for care and support. The Act also requires Local Authorities to co-operate generally and specifically in individual cases with their relevant partners in exercising their respective care and support functions.

[DC/26012021/G]

## **9.0 Equalities implications**

- 9.1 An equality analysis has been completed which highlights the positive impact broadening the range of grants available will have for disabled and vulnerable people in the city. It will help to reduce the risk of falls and injury, reduce the risk of ill health, minimise time spent in acute hospitals and help people maintain independence and avoid the need for long term care, particularly by offering support to those that cannot improve the condition or suitability of their home.

## **10.0 All other implications**

- 10.1 Through small works assistance and affordable warmth works, the policy supports the improvement of properties including the provision of more energy efficient heating.
- 10.2 This policy seeks to support disabled and vulnerable people living in private sector properties to improve their health and wellbeing through the provision of assistance and adaptations so that residents homes meet their needs, helping people across the city to live independently in their own home and reducing the need for health care services.

- 10.3 There is the potential for an increased number of residents in the City to require some form of assistance to manage the long-term effects of recovering from Covid 19. Whilst these effects are not yet fully known, a policy that has increased flexibility and a wider scope of assistance should help to future proof the policy to address these needs.

## **11.0 Schedule of background papers**

- 11.1 [Private Sector Housing Assistance Policy](#), Cabinet, 12 September 2018

## **12.0 Appendices**

- 12.1 Appendix 1 – Assistance available under this proposed housing assistance policy

- 12.2 Appendix 2 – Wolverhampton Private Sector Housing Assistance Policy

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## Appendix 1: Summary of Assistance Available

Assistance	Funding Max	Financial Eligibility	Objective
Mandatory Disabled Facilities Grant	Up to £30,000	Means Tested	To assist disabled people to remain independent in their own home
Disabled Facilities Top Up Grant	Up to £20,000	Means Tested	To speed up application processing where the DFG doesn't cover the whole of the works
Contribution Assistance Loan	Up to £10,000	Means Tested	To ensure that recommended DFG works can be carried out where the applicant is unable to afford their assessed contribution
Dual Residency Grant	Up to £30,000	Means Tested	To support parents/ carers of Adults and Children with shared care arrangements
Feasibility Grant	Up to £2,000	Means Tested	To assist with identifying the best solution to meet of the needs of the DFG
Small Adaptations Grant	Up to £8,500	Means tested between the ages of 18-64 unless parent/carer of a disabled child.	To provide a speedier process where there is a risk to health and safety due to the need for aids and adaptations within the home.
Technology Enabled Care Grant	Up to £5,000	Means tested between the ages of 18-64 unless parent of a disabled child.	To facilitate disabled people to remain living at home where a bespoke package is needed over and above existing assistive technology provision
Living Well Grant	Up to £10,000	Means Tested	To support households with a neurological disorder or/ and frailty to remain independent in their own home.
Home not Hospital Assistance	Up to £5,000	Non-Means Tested Strict criteria for referral process.	To enable hospital discharge and prevent hospital admission.
Relocation Grant	Up to £5,000	Means Tested	To assist disabled people to move more quickly where their current home is unsuitable or too costly for work to be carried out
Handy Person	Up to 4 visits per year	Means Tested between the ages of 18-64 unless parent of a disabled child.	To provide a speedy process for minor works to support independence in the home
Affordable Warmth Grant	Up to £8,000	Means Tested	To reduce fuel poverty and prevent further impact on long term health conditions enabling households to remain in their home

<b>Assistance</b>	<b>Funding Max</b>	<b>Financial Eligibility</b>	<b>Objective</b>
Healthy Homes Assistance	Up to 10,000	Means Tested between the ages of 18-64 unless parent of a disabled child.	To offer financial support to a vulnerable household where the property is considered to pose a serious risk to the healthy and safety of occupants.
Hoarders Assistance	Up to £5,000	Free in first instance where referral made by Wolverhampton Hoarding Panel. Any future clearance may be subject to re-charge.	To provide added support where there is a multi-agency response to a household needs.
Mobile Homes and Residential House Boats	Up to £10,000	Means Tested between the ages of 18-64 unless parent of a disabled child	To provide necessary repairs and reduce fuel poverty to enable households to remain in their home.
Safe Homes Grant	Up to £5,000	Non means tested. Strict criteria for referral process.	To help victims of crime to feel safe and be able to remain in their home by carrying out any recommended improvements to the security in their home.
Stairlift Maintenance Grant	Up to £2,500	Means tested between the ages of 18-64 unless parent/carer of a disabled child.	For the repair of any installed stairlift (either through the Small Adaptation Grant or the Disabled Facilities Grant) following the expiry of the warranty period.

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## Appendix 2:

# **City of Wolverhampton Council**

## **Private Sector Housing Assistance Policy**

### **1.0 Introduction**

1.1 The Private Sector Housing Assistance Policy (the Policy) details the financial assistance available from the Council to qualifying home owners, private tenants, and tenants of Registered Providers (housing associations) to improve their living conditions and enable independent living. It consolidates measures introduced over a long period of time as well as introduces new assistance to cover a wide range of situations.

1.2 The Policy sits alongside the Council's Housing Strategy 2019-2024 which sets out the Council's plans for housing in the city which in turn is driven by the City of Wolverhampton Council Plan. The goal of the Council Plan is to 'work together to be a city of opportunity' and has six 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

1.3 The Housing Strategy sets out how the Council Plan priority 'Better Homes for All' will be achieved and identifies three priorities for action:

- More and better homes
- Safe and healthy homes
- Access to a secure home

The assistance provided through this policy contributes specifically to 'safe and healthy homes' and 'access to a secure home'.

### **2.0 Statutory Context**

- 2.1 Council powers to provide financial assistance for home repairs and adaptations are governed by:
- 2.2 **Housing Grants, Construction and Regeneration Act 1996** – the remaining relevant parts of this Act provide the basis for the provision of Disabled Facilities Grants (DFG), which are financial grants to help with the cost of adapting a property to meet the needs of a disabled occupant.
- 2.3 It is mandatory for assistance to be provided to those that are eligible.
- 2.4 **Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO)** - provides local authorities with the discretion to provide assistance for the purpose of improving living conditions so homes are safe to live in. This includes the use of DFG funding to support strategic priorities which integrate health, wellbeing and housing, for the benefit of local people.
- 2.5 In order to use the powers provided in the RRO the Council must adopt a policy for the provision of the assistance. The Policy complies with that requirement.
- 2.6 The award of any financial assistance under the Policy through the powers provided by the RRO are subject to the availability of funding, with financial assistance provided at the discretion of the Council. Schemes may be withdrawn at any time and without notice.
- 2.7 **Housing Act 2004** - The Housing Act 2004 sets out that a Council shall take action where it finds serious hazards to remove or reduce the risk of harm as identified by the Housing, Health and Safety Rating System.
- 2.8 It is the Council's expectation that homeowners will maintain their own property so that it remains safe, but accepts that some homeowners, particularly the elderly and most vulnerable, may not have the necessary resources to do so. In certain circumstances the Council will offer advice and/or assist homeowners to do so.
- 2.9 **Better Care Fund** – The Better Care Fund Planning Requirements sets out the detailed requirements to local areas on developing and implementing Better Care Fund plans. It encourages the use of DFG funding in addition to the provision of the mandatory DFG, to support assistance that improves integration of housing, social care and health services, with the aims of achieving a preventative approach to care, reducing hospital admissions, improving hospital discharge and reducing inequalities. This should have the effect of

improving the health and wellbeing of assisted householders and achieving savings overall.

- 2.10 These objectives have been translated into the local Wolverhampton Better Care Fund Narrative Plan, which recognises the role that housing plays in people's health and wellbeing, and the contribution that can be made by helping people to maintain and adapt their homes, in reducing hospital discharge times, preventing admission/re-admission (particularly from falls), and helping to reduce/delay expensive care packages.
- 2.11 During the lifetime of this policy, it is the intention of the Council to establish a Home improvement Agency. The Home Improvement Agency will be set up and run by the Council's arm's length management organisation, Wolverhampton Homes who deliver the assistance covered by this policy. A tenure neutral service, the Home Improvement Agency will provide and coordinate advice, support and assistance to people living in the city to ensure that their home supports their on-going needs and reduces, prevents or delays any need for social care or health interventions wherever practical.

### **3.0 Funding**

- 3.1 As well as using its own resources, the Council receives an allocation from central government each year to help vulnerable people with adaptations and other measures to maintain their independence. Since 2015, the Council has been required to consider its housing support for vulnerable residents as part of a wider partnership with social care and health through the Better Care Fund, which pools resources to support the better integration of services.
- 3.2 Additional funding will be sought from the Energy Company Obligation where this is applicable as well as other sources that may become available.

### **4.0 Assessment and Delivery**

- 4.1 Wolverhampton Homes, Home Improvement Agency (HIA) will undertake the approval and delivery of all grants and other forms of discretionary financial assistance.
- 4.2 All grants are subject to certain eligibility criteria and other conditions – for full details of each see Appendix A for the details on the Disabled Facilities Grant and Appendix B for all other discretionary grants.

### **5.0 Applying for Assistance**

- 5.1 The route to applying for financial assistance is intended to be as simple and transparent as possible. If you think that you, or someone that you know may qualify for help, please contact Wolverhampton Homes: Telephone 01902 556789 or email via the website [www.wolverhamptonhomes.org.uk](http://www.wolverhamptonhomes.org.uk) Wolverhampton Homes will be able to advise you on the different types of assistance you may be eligible for.
- 5.2 Someone will contact you within 5 working days about your enquiry, and to guide you through the process. In all cases a completed, signed and dated application form will be required in support of any application together with confirmation of ownership of the property or permission from your landlord, and of any qualifying benefits, or other financial information as necessary.

## **6.0 Cases falling outside the policy**

- 6.1 Officers dealing with applications will endeavour to apply grant conditions flexibly and sensitively in order to support those in need of help. They will seek permission to consider unusual or 'one-off' cases and to approve applications where they fall within the spirit of this policy.
- 6.2 Cases falling outside this policy but where Wolverhampton Homes has assessed the circumstances as exceptional may be submitted to the Council for consideration with formal approval required from Cabinet in the form of an Individual Executive Decision Notice.

## **7.0 Complaints and Redress**

- 7.1 Any decision made under the Policy may be reviewed at the request of the applicant. In the first instance any complaint will be considered under the Wolverhampton Homes' complaint policy (<https://www.wolverhamptonhomes.org.uk/aboutus/contact-us/compliments-complaints-and-suggestions>). However, any unresolved complaints may be referred to City of Wolverhampton Council for further review under their complaint's procedure.
- 7.2 Cases that are directly considered by the Council are subject to the Council's complaints procedure, which can be found here. (<https://www.wolverhampton.gov.uk/customer-feedback/make-complaint>)

## **8.0 Monitoring and Review**

- 8.1 Regular monitoring of the delivery of the policy and equalities analysis will be carried out to ensure that implementation is satisfactory and continues to meet local needs including equality analysis and will be reported to the Council's Better Homes Board and/or Scrutiny Panel from time to time.
- 8.2 The contents of the policy will also be reviewed from time to time to ensure the assistance provided remains relevant and keeps abreast of any national legislative changes or best practice.
- 8.3 A full review of the policy should be undertaken no longer than five years following adoption.

## 9.0 Summary of Assistance Available

Assistance	Funding Max	Financial Eligibility	Objective
Mandatory Disabled Facilities Grant	Up to £30,000	Means Tested	To assist disabled people to remain independent in their own home
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Small Adaptations Grant	Up to £8,500	Means tested between the ages of 18-64 unless parent/carer of a disabled child.	To provide a speedier process where there is a risk to health and safety due to the need for aids and adaptations within the home.
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<b>Assistance</b>	<b>Funding Max</b>	<b>Financial Eligibility</b>	<b>Objective</b>
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Hoarders Assistance	Up to £5,000	Free in first instance where referral made by Wolverhampton Hoarding Panel. Any future clearance may be subject to re-charge.	To provide added support where there is a multi-agency response to a household needs.
Mobile Homes and Residential House Boats	Up to £10,000	Means Tested between the ages of 18-64 unless parent of a disabled child	To provide necessary repairs and reduce fuel poverty to enable households to remain in their home.
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Stairlift Maintenance Grant	Up to £2,500	Means tested between the ages of 18-64 unless parent/carer of a disabled child.	For the repair of any installed stairlift (either through the Small Adaptation Grant or the Disabled Facilities Grant) following the expiry of the warranty period.

## Appendix A – Details of Disabled Facilities Grant

### Purpose

The main provisions governing mandatory DFGs are set out in the Housing Grants, Construction and Regeneration Act 1996. Applicants for DFG should normally be referred by a relevant occupational therapist or a relevant healthcare professional.

All large-scale proposals will be subject to a feasibility visit by an Occupational Therapist, and a Surveyor or other representative of Wolverhampton Homes. The feasibility visit will look at the disabled person's needs identified by the Occupational Therapist and establish the most suitable housing solution to meet those needs. The most cost-effective adaptation that meets the customer's needs will be recommended for grant aid. In most cases, properties can be adapted internally rather than extended.

### Amount Available

A statutory limit of £30,000 applies to any single application.

### Eligibility

The following types of work, when recommended for a disabled person are eligible for grant provided it is "necessary and appropriate" for that person, and "reasonable and practicable" having regard to the age and condition of the property:

- Making the building or dwelling safe
- Facilitating access to and from the building
- Facilitating access to or providing a bedroom
- Facilitating access to the principal family room
- Provision of a room containing a bath or shower or facilitating the use of such a facility
- Provision of a room containing a WC or facilitating the use of such a facility
- Provision of a room containing a wash hand basin or facilitating the use of such a facility
- Facilitating the preparation and cooking of food (only if used by the disabled person)
- Providing or improving a heating system
- Facilitating the use of power, light or heat by altering the same or by providing additional means of control

- Facilitating access and movement around the dwelling to enable the disabled person to provide care for another person
- Facilitating access to and from a garden or making a garden safe.

To qualify for assistance the applicant should be the homeowner or tenant, but the grant is available to adapt the home to meet the needs of any disabled person living in the property to enable them to continue living there. Landlords may also apply for a DFG on behalf of a disabled tenant but must satisfy the requirements of future occupancy. Tenants of housing associations / Registered Providers of social housing can apply for DFGs and are assessed for needs on the same basis as private owners.

### **Means Testing**

Applicants for a mandatory DFG are subject to a prescribed means test. Adaptations for disabled children are not means tested. Clients in receipt of the following income related benefits at the time the application is made, will be exempt from the means testing process

- ✓ Income support
- ✓ Income-related Jobseeker's Allowance
- ✓ Income based Employment Support Allowance
- ✓ Guaranteed Pension Credit
- ✓ Housing Benefit
- ✓ Working Tax or Child Tax Credit with income under £15,050 (subject to review)
- ✓ Universal Credit

### **Other Conditions**

The disabled person must intend to occupy the property as their only or main residence for a period of five years after the works are complete (or such shorter period as the person's health or other relevant circumstances permit).

In order to make an application the client must supply the following:

- A completed and signed application form
- Evidence of financial situation
- Evidence of ownership of the property or the right to reside at the property
- Permission for the works to be carried out

- A detailed schedule of works and plans that must be agreed by the council
- Any planning or building regulation approvals
- Prices for the work

Only the works agreed by the council will be covered by the grant. Once the grant is approved there are 12 months to complete the works. The works must be completed by the contractor stated on the approval document. No grant works should proceed until the grant application has been processed and formally approved and all relevant planning, Building Regulation or landlord approval has been obtained.

Owner occupiers may have a local land charge placed on their property on completion of the grant. If the property is sold, assigned or transferred within 10 years of the grant being completed then the grant may have to be repaid. The council will have regard to *The Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grants (Conditions relating to approval or payment of Grant) General Consent 2008* when deciding whether to demand repayment. The Council may accept other forms of security to ensure repayment (where applicable).

The charge only applies where the grant is more than £5,000. Where the grant is more than £5000 only the amount over the first £5,000 is added as a charge. There is a charge limit of £10,000. The Council's policy regarding the repayment of DFG grant funding can be found at appendix C.

If the applicant has a contribution to pay, they must ensure they have the money to cover their share of the costs before the work begins on site. Unforeseen and additional costs will only be paid for where they are necessary to complete the adaptation and must be agreed by the council before they are undertaken. Any increase in the grant may have an impact on the charge placed against the property.

The contract for the works is the responsibility of the applicant. The grant will normally be paid direct to contractors in all but the most exceptional cases. No grant will be paid until a satisfactory invoice has been received and the works have been carried out to the satisfaction of the client and Council.

## Appendix B - Details of discretionary financial assistance

### Disabled Facilities Top Up Grant

A discretionary grant for those eligible for a mandatory DFG, where the cost of the work deemed to be necessary and appropriate exceeds the maximum grant payable of £30,000 can be awarded up to an additional £20,000.

#### Eligibility Criteria

- The applicant has been assessed as qualifying through the mandatory DFG route.
- The work has been identified as necessary and appropriate and the costs have been validated and confirmed as reasonable and practical through a formal tender process.

#### Conditions

- Any assessed contribution would have to be paid by the client.

### Contribution Assistance Loan

Discretionary assistance of up to £10,000 to assist those applicants for a DFG who cannot afford their assessed contribution to a means-tested DFG.

#### Eligibility Criteria

- The applicant has been assessed as qualifying through the mandatory DFG route.
- The work has been identified as necessary and appropriate and the costs have been validated and confirmed as reasonable and practical through a formal tender process.

#### Conditions

- A local land charge will be placed on the property on completion of the works. If the property is sold, assigned or transferred within 10 years of the works being completed then the loan may have to be repaid.

### Dual Residency Grant

A discretionary grant of up to £30,000 to provide adaptations in a second property where the need for adaptations in two locations has been confirmed by the Occupational Therapist or Social Worker. e.g. to support joint custody arrangements.

#### Eligibility Criteria

- The applicant must meet the qualifying criteria for the mandatory disabled facilities grant.

### **Conditions**

- The second property to be adapted should be in Wolverhampton.
- The applicant must own or rent the second property, this must be a permanent home and excludes any holiday or temporary accommodation.

### **Disabled Facilities Feasibility Grant**

A discretionary grant for those eligible for a mandatory DFG of up to £2,000 to allow for plans to be drawn up or for necessary investigations to be made to determine if a DFG proposal is reasonable and practicable.

#### **Eligibility Criteria**

- Any resident of Wolverhampton who has had recommendations made by an Occupational Therapist for necessary and appropriate works, where their mandatory means test indicates a contribution of less than £10,000
- A property is eligible if it has been determined by the Occupational Therapist or Technical Officer that plans need to be prepared or investigations carried out.

### **Conditions**

- Any architect or appropriate professional must have necessary qualifications, indemnity insurance and public liability insurance.

### **Small Adaptations Grant**

A discretionary, more flexible alternative to a DFG of up to £8,500 for the provision of certain stairlifts, modular ramps and ceiling track hoists and the routine removal of a bath and provision of wet floor shower.

#### **Eligibility Criteria**

- Lives in the City of Wolverhampton.
- Any owner occupier, private tenant, or Registered Provider tenant over 65 years of age
- Or between the ages of 18-64 years of age if on a qualifying benefit.

- Or parent/guardian of a disabled child.

### **Conditions**

- Any work will be undertaken by a HIA approved contractor.
- After expiry of the warranty period the applicant becomes responsible for any future maintenance.
- Stairlifts - If, during the warranty period, the stairlift is no longer required it will be removed (free of charge).

## **Technology Enabled Care Grant**

A discretionary grant of up to £5000 to provide technology to support the applicant over and above the existing assistive technology telecare offer.

### **Eligibility Criteria**

- Lives in the City of Wolverhampton.
- Any owner occupier, private tenant, or Registered Provider tenant over 65 years of age
- Or between the ages of 18-64 years of age if on a qualifying benefit.
- Or parent/guardian of a disabled child

### **Conditions**

- This will be a one-off payment only.
- Ongoing maintenance and potential running costs will need to be met by the applicant.
- This is for technology over and above the existing telecare offer and for works not supported by another grant.

## **Living Well Grant**

To support individuals with a frailty, dementia, neurological disorder or considerable debilitating condition to remain at home and to support carers of those people with the above diagnosis. Enabling rapid intervention to remain independent and in their own home. A discretionary grant of up to £10,000 is available.

### **Eligibility Criteria**

- Any resident of the City of Wolverhampton with a confirmed diagnosis of living with frailty.

- Any resident of the City of Wolverhampton living with a confirmed diagnosis of neurological disorder or other considerable debilitating condition.

#### **Conditions**

- A one- off payment with ongoing maintenance and potential running costs to be provided by the applicant.

### **Home not Hospital Assistance**

To support Health and Social Care with the safe discharge to home where home is the reason a discharge cannot be achieved. It will also support the prevention of unnecessary admissions to hospital. A discretionary grant of up to £5,000 is available to ensure that a patient's property is suitable for habitation following admission to hospital.

#### **Eligibility Criteria**

- Lives in the City of Wolverhampton.
- Any owner occupier, private tenant, or Registered Provider tenant over 65 years of age.
- Or between the ages of 18-64 years of age if on a qualifying benefit.
- Or parent/guardian of a disabled child.

#### **Conditions**

This will require a referral from Hospital Discharge Teams or professional agencies working to prevent a hospital admission.

### **Relocation Grant**

A discretionary grant of up to £5,000 to assist people to relocate if it is not reasonable or practicable to adapt their existing property.

#### **Eligibility Criteria**

- Available to owner occupiers and private tenants within the City of Wolverhampton.
- Applicant must be in need of adaptations that cannot be achieved at their existing property.
- The applicant must meet the qualifying criteria for the mandatory disabled facilities grant.

#### **Conditions**

- The grant will not fund the legal fees including stamp duty if there is remaining equity following the move.

- The property the applicant is moving to must be assessed by the Council or delegated officer as suitable for the needs of the disabled person.

## **Handy Person**

A visit to the property up to 4 times per year to provide a range of practical support services for older and disabled people with the aim of helping them maintain independent living.

### **Eligibility Criteria**

- Lives in the City of Wolverhampton.
- Any owner occupier, private tenant, or Registered Provider tenant over 65 years of age.
- Or between the ages of 18-64 years of age if on a qualifying benefit.
- Or parent/guardian of a disabled child.

### **Conditions**

- Work must be identified through an assessment by the HIA

## **Affordable Warmth Grant**

A grant of up to £8,000 to provide heating and/or energy efficiency measures to fuel poverty and prevent ill health due to living in cold and damp homes, enabling independent living, and reducing carbon emissions.

### **Eligibility criteria**

- Owner-occupiers and private rented tenants within the City of Wolverhampton
- The property must be the applicants only or main residence, and they must have occupied it for a minimum of 12 months prior to application.
- Assistance will not be provided if the property is being marketed for sale or if there is reasonable cause to believe the property will be sold within 3 years.
- The applicant must be in receipt of income assessed benefit as prescribed through DFG and the Household income should be calculated in line with DFG means test for contributions.
- The applicant or a member of the household must suffer from a long-term health condition that is adversely affected by living in a cold damp home including:
  - older people – 80+ (in line with higher winter fuel payments)

- households with young children (new-born to school age) – who are premature (born at 32 weeks or below and/or considered low birth weight – 2.5kg or 5.5lbs)
- other life changing or limiting illnesses including but not restricted to: cancer,- Parkinson's Disease, diabetes type 1, blindness, tuberculosis

### **Conditions**

- One grant payable per applicant.
- The costs of all work is to be repaid if the house is sold or otherwise disposed of within a three-year period from the certified date of completion of the works.
- The property should be the sole residency and the applicant must have lived in the property for 12 months prior to the application.
- Referrals to the scheme will only be accepted on private rented homes if received from an Environmental Health Officer.
- For work to private rented homes - additional conditions will apply to these properties regarding securing the tenancy following the work.

## **Healthy Homes Assistance**

Up to £10,000 for property repairs and maintenance targeted at vulnerable homeowners.

### **Eligibility Criteria**

- Lives in the City of Wolverhampton.
- Any owner occupier over 65 years of age.
- Or between the ages of 18-64 years of age if on a qualifying benefit.
- Or parent/guardian of a disabled child.

### **Conditions**

- One grant payable per applicant
- A legal charge will be placed on the property on land registry on completion of the grant. If the property is sold, assigned or transferred within 10 years of the grant being completed then the grant may have to be repaid.
- The first £500 of any assistance is not repayable.

## Hoarders Assistance

Up to £5,000 to support the corporate safeguarding response to address and support hoarding cases.

### Eligibility Criteria

- Lives in the City of Wolverhampton.
- Any owner occupier, private tenant or Registered Provider tenant.

### Conditions

- The clearance assistance offered must form part of a wider package of support being provided.
- The property must be referred through Wolverhampton Hoarding Panel.
- Any further property clearance assistance may have to be charged for dependant on the individual circumstances.

## Mobile Homes and Residential House Boats

Up to £10,000 to cover essential repairs and appropriate energy efficiency measures.

### Eligibility Criteria

- Owners of mobile homes on official recognised sites within Wolverhampton and have been the owner for a minimum of 2 years.
- Houseboats with permeant mooring in Wolverhampton for a minimum of 2 years.
- Any owner occupier over 65 years of age.
- Or between the ages of 18-64 years of age if on a qualifying benefit.
- Or parent/guardian of a disabled child.

### Conditions

- As residential houseboats and mobile homes have a limited life an assessment of the anticipated future life of the structure will be undertaken before grant assistance is approved.
- A minimum anticipated future life of 4 years is required. Owners of structures with a shorter anticipated life will receive assistance to carry out temporary or emergency repairs.

## **Stairlift Maintenance Grant**

A grant of up to £2,500 for the purposes of repairing and maintaining installed stairlifts throughout the period of their use.

### **Eligibility Criteria**

- Lives in the City of Wolverhampton.
- Any owner occupier over 65 years of age.
- Or between the ages of 18-64 years of age if on a qualifying benefit.
- Or parent/guardian of a disabled child.

### **Conditions**

- For the repair of any installed stairlift (either through the Small Adaptations Grant or the Disabled Facilities Grant) following the expiry of the warranty period of up to £2,500 on each occasion.
- The repair will be carried out by the Council's nominated contractor.
- Anyone wishing to take advantage of the scheme must pay £50 to register.

## Appendix C – Repayment of Disabled Facilities Grant

### 1) Power to reclaim Disabled Facilities Grant

The power to require repayment of certain Disabled Facilities Grants is contained within the following legislation:-

Housing Grants Construction & Regeneration Act 1996: Section 34(6)(b) and 94. Disabled Facilities Grant (Condition relating to approval or payment of grant) General Consent 2008.

#### Consent.

(1). Where:-

- a) A local authority approves an application for a grant under part 1 of the Act;
- b) The grant is for a sum exceeding £5000; and
- c) The applicant ("the recipient") has a qualifying owners interest in the premises on which the relevant works are carried out,

The local authority may impose the conditions (or conditions to like effect) contained in paragraph (2).

(2) The local authority may demand the repayment by the recipient of such part of the grant that exceeds £5000 (but may not demand an amount that exceeds £10,000) if:-

- a) the recipient disposes (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given within 10 years of the certified date; and
- b) the local authority having considered:-
  - (i) the extent to which the recipient of the grant would suffer financial hardship were he required to repay all or any of the grant
  - (ii) whether the disposal of the premises is to enable the recipient to take up employment or to change the location of his employment
  - (iii) whether disposal is made for reasons connected with the physical or mental health or well being of the recipient of the grant or of a disabled occupant of the premises; and
  - (iv) whether the disposal is made to enable the recipient of the grant to live with, or near, any person who is disabled or infirm and in need of care, which the recipient of the grant is intending to provide or who is intending to provide care of which the recipient of the grant is in need of by reason of disability or infirmity,

is satisfied that it is reasonable in all the circumstances to require repayment.

### **Application of Section 52 of the Act**

The conditions in paragraph 2 are local land charges and are binding on any person who is for the time being the owner of the dwelling or building.

### **Wolverhampton City Council Policy**

With effect from 1<sup>st</sup> April 2009 (i.e. all DFG's approved on or after that date)

- 1) All DFG's over £5000 are registered as a local land charge with the 10 year condition (DFG's under £5000 will no longer continue to be registered).
- 2) Wolverhampton City Council will require repayment of any DFG or part thereof exceeding £5000 up to the maximum of £10,000 (subject to the conditions and exceptions outlined below) if the recipient of the grant disposes of the property within 10 years of the "certified date" of the Disabled Facilities Grant. (The certified date is the date that the grant is considered to be complete). This applies whether the disposal is by sale, assignment, transfer or otherwise including repayment from the estate of a deceased owner.
- 3) The council will consider in all cases if it is reasonable to demand repayment having taken into account the reasons why the property is being disposed of.

### **Exceptions**

- 1) The council will not require repayment for any DFG in excess of £5000 that has been given in order to facilitate the installation of a stairlift.
- 2) The council will not require repayment for any DFG in excess of £5000 that has been given in order to facilitate the installation of a through-floor lift.

### **Considerations**

In determining whether or not to require repayment of a grant the council will consider the following:-

- a) The extent to which the recipient of the grant would suffer financial hardship were he required to repay all or any of the grant
- b) Whether the disposal of the premises is to enable the recipient to take up employment or to change the location of his employment

- c) Whether disposal is made for reasons connected with the physical or mental health or well being of the recipient of the grant or of a disabled occupant of the premises; and
- d) Whether the disposal is made to enable the recipient of the grant to live with, or near, any person who is disabled or infirm and in need of care, which the recipient of the grant is intending to provide or who is intending to provide care of which the recipient of the grant is in need of by reason of disability or infirmity,

### **Informing Grant applicants**

Grant applicants will be informed about this grant condition at 3 stages of the application process:-

- 1) At initial enquiry stage
- 2) At the time a formal offer of grant is made
- 3) When the grant is completed.

### **Repayment**

When the council is notified that a property which is the subject of the relevant local land charge is being disposed of within the grant condition period it will determine if it is reasonable to demand repayment of the grant by making enquires of the owner / owners solicitor (these enquires generally come via a solicitor handling the sale of a property)

Once the council has received the necessary information the Head of Service / Adaptations Team Manager will make the decision about whether or not to require repayment and will inform the owner / solicitor in writing advising of the methods of making the repayment.

The Adaptations Team will monitor repayments and ensure that they are returned to the adaptations budget

It is likely that the government will require local authorities to provide (annual) information about how many grants they have reclaimed and the amount.

Sensitivity: NOT PROTECTIVELY MARKED

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