

Time 5.00 pm **Public Meeting?** YES **Type of meeting** Executive
Venue Council Chamber - 4th Floor - Civic Centre, St Peter's Square, Wolverhampton, WV1 1SH

Membership

Chair Cllr Ian Brookfield (Lab)
Vice-Chair Cllr Stephen Simkins (Lab)

Labour

Cllr Obaida Ahmed
Cllr Paula Brookfield
Cllr Steve Evans
Cllr Bhupinder Gakhal
Cllr Dr Michael Hardacre
Cllr Jasbir Jaspal
Cllr Linda Leach
Cllr Beverley Momenabadi

Quorum for this meeting is three voting members.

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
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 - 10)
[For approval]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 4 **Council Tax Base and Business Rates (NDR) Net Rate Yield 2022-2023 and Draft Budget Update 2022-2023** (Pages 11 - 20)
[To set the estimates for Wolverhampton Collection Fund 2022-2023, which the Council manages on behalf of local precepting bodies and central government and to provide an update on the draft budget for 2022-2023]
- 5 **Collection Fund Estimated Outturn 2021-2022** (Pages 21 - 30)
[To present the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2021-2022]
- 6 **South Staffordshire Local Plan Preferred Options Consultation** (Pages 31 - 44)
[To approve the City of Wolverhampton Council response to the South Staffordshire Local Plan Preferred Options consultation]
- 7 **Energy from Waste Plant - Future Options**
[To report on the future options for the City's Energy from Waste plant] **[Report to follow]**
- 8 **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

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|---|---|--|-----|
| 9 | Energy from Waste Plant - Future Options [To report on the future options for the City's Energy from Waste plant] [Report to follow] | Information relating to the financial or business affairs of any particular person (including the authority holding that information) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. | (3) |
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| CITY OF WOLVERHAMPTON COUNCIL | Meeting of the Cabinet Minutes - 17 November 2021 |
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Attendance

Members of the Cabinet

Cllr Ian Brookfield (Chair)
Cllr Stephen Simkins (Vice-Chair)
Cllr Obaida Ahmed
Cllr Paula Brookfield
Cllr Steve Evans
Cllr Bhupinder Gakhal
Cllr Dr Michael Hardacre
Cllr Jasbir Jaspal
Cllr Beverley Momenabadi

Employees

| | |
|------------------|---|
| Tim Johnson | Chief Executive |
| Mark Taylor | Deputy Chief Executive |
| Emma Bennett | Executive Director of Families |
| Ian Fegan | Director of Communications and External Relations |
| Charlotte Johns | Director of Strategy |
| Richard Lawrence | Director of Regeneration |
| Claire Nye | Director of Finance |
| David Pattison | Chief Operating Officer |
| Laura Phillips | Deputy Director of People and Change |
| Jaswinder Kaur | Democratic Services Manager |
| Dereck Francis | Democratic Services Officer |

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies for absence Apologies for absence were submitted on behalf of Councillor Linda Leach. |
| 2 | Declaration of interests No declarations of interests were made. |
| 3 | Minutes of the previous meeting Resolved: That the minutes of the previous meeting held on 20 October 2021 be approved as a correct record and signed by the Chair. |

- 4 **Capital Programme 2021-2022 to 2025-2026 Quarter Two Review**
- Councillor Ian Brookfield presented the update report on the financial performance of the 2021-2022 General Revenue Account and Housing Revenue Account (HRA) capital programmes. The report also provided a revised forecast for 2021-2022 to 2025-2026 as at quarter two of 2021-2022. Councillor Brookfield referred to the raft of projects in the capital programmes that covered every part of the city and reflected the priorities of the Council. He also highlighted some of the key projects in the programmes that would improve life chances, skills, and transpose the green economy of the city. Revisions to the current approved capital programmes covering the period 2021-2022 to 2025-2026 were recommended to Full Council for approval.

Resolved:

That Council is recommended to approve:

1. The revised, medium term General Revenue Account capital programme of £298.1 million, an increase of £6.7 million from the previously approved programme, and the change in associated resources.

That Cabinet approves:

1. The virements for the General Revenue Account capital programme detailed at Appendix 4 to the report for:
 - i. existing projects totalling £4.3 million;
 - ii. new projects totalling £1.7 million.
2. The virements for the Housing Revenue Account (HRA) capital programme detailed at Appendix 4 to the report for:
 - i. existing projects totalling £3.6 million.

The Cabinet notes:

1. That there is an intentional 'over-programming' of projects to reflect the reality that some projects will inevitably be delayed due to unexpected circumstances or changes to priorities. Over-programming aims to ensure that, as far as possible, the resources available are fully utilised.
2. That the following capital projects are included in a bid for external European Regional Development Fund grant as part of the Wolverhampton Investment in Smart Energy programme. If successful, and subject to confirmation of grant funding, this could attract up to 40% of external funding that would reduce the amount of internal resources required to fund the Corporate Asset Management programme. Any realised changes in resources as a result of grant confirmation will be reflected in future monitoring reports for approval.
 - Aldersley Leisure Centre (Hockey Pitches) – External lighting to include electrical controls & lighting columns;
 - Bradley Resource Centre – Mechanical Plant upgrade;
 - Civic Centre – Flue replacement.

- 5 **Treasury Management Activity Monitoring - Mid Year Review 2021-2022**
- Councillor Ian Brookfield outlined the salient points from the monitoring and progress report on treasury management activity for the second quarter of 2021-2022 as part of the mid-year review, in line with the Prudential Indicators approved by Council in March 2021. He reported that treasury management was a vital part of how the Council operated. Without it, projects listed in the previous report 'Capital

Programme Quarter Two Review’ and policies the Council is pursuing to help the residents of the city would not go into effect.

Resolved:

That Council is asked to note:

1. That a mid-year review of the Treasury Management Strategy Statement had been undertaken and the Council had operated within the limits and requirements approved in March 2021, however due to the reprofiling of some capital programmes the authorised limit and operational boundary for commercial activities for 2022-2023 is forecast to be slightly in excess of the best estimate included in the Treasury Management Strategy presented to Council on 3 March 2021. This would be reviewed as part of the 2022-2023 Treasury Management Strategy.
2. That revenue underspends of £899,000 for the General Revenue Account and £706,000 for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2021-2022, arising as a result of re-phasing of the capital programme and lower interest rates forecast on borrowing.

The Cabinet notes:

1. That there had been no change to the UK’s credit rating and therefore the Director of Finance had not been required to use the delegated authority approved by Council on 17 July 2020 to amend the Annual Investment Strategy.

- 6 **Performance and Budget Monitoring 2021-2022**
Councillor Ian Brookfield outlined the salient points from the update report on performance against the Council’s Relighting Our City priorities, and on the financial performance and projected outturn for 2021-2022 as at quarter two.

Resolved:

1. That the establishment of supplementary expenditure budgets within the 2021-2022 approved budget as detailed in section 9.0 of the report for grant funded expenditure be approved.
2. That the use of £1.0 million from the Regeneration Reserve to fund various transformation work as detailed in paragraph 10.4 of the report be approved.
3. That the use of £105,000 from the Budget Contingency Reserve to fund additional resource to ensure the Council delivers on the Fairness and Inclusion agenda as detailed at paragraph 10.5 of the report be approved.
4. That the contribution of £200,000 to the Budget Contingency Reserve to support environmental works in 2021-2022 as detailed in paragraph 10.6 of the report be approved.
5. That the use of £124,000 from the Recovery Reserve/ Covid Emergency grant to fund additional resources within Insight and Performance to support the work around jobs, skills and enterprise as detailed at paragraph 10.7 of the report be approved.

6. That the write-off of three Council Tax debts totalling £17,693.83 as detailed in Appendix 9 to the report be approved.
7. That the write-off of three Non-Domestic Rates (NDR) debts totalling £30,785.94 as detailed in Appendix 10 to the report be approved.
8. That the write-off of two Housing Benefit debts totalling £12,814.21 as detailed in Appendix 11 to the report be approved.
9. That the write-off of one Sundry Debt totalling £5,538.16 as detailed in Appendix 8 to the report be approved.
10. That 60 virements totalling £28.9 million, for transfers within directorates, as detailed in Appendix 12 to the report be approved.
11. That it be noted that the General Fund projected outturn for 2021-2022 is currently forecast to be an underspend of £235,000 (excluding the impact of Covid-19). This forecast underspend is after the transfer of £4 million into the Future Years Budget Strategy Reserve in accordance with the 2022-2023 budget strategy and £200,000 into the Budget Contingency Reserve to support environmental works.
12. That it be noted that at this stage in the financial year it is difficult to forecast redundancy costs. However, as forecast in recent years it is anticipated that the cost of redundancies can be met from reserves.
13. That it be noted that a £12.3 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £13.1 million as shown at Table 3 and in detail at Appendix 5 to the report. The projected reduction to the surplus of £841,000 would reduce redemption of debt by £841,000.
14. That it be noted that council tax accounts totalling £487,356.90, as detailed in paragraph 11.2 and Appendix 7 to the report, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
15. That it be noted that 32 Non-Domestic Rates (NDR) debts totalling £259,737.68, as detailed in paragraph 11.2 and Appendix 7 to the report, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
16. That it be noted that 51 housing benefit overpayments totalling £27,061.75 as detailed in paragraph 11.2 and Appendix 7 to the report, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
17. That it be noted that 135 sundry debt accounts totalling £72,957.29, as detailed in paragraph 11.2 and Appendix 7 to the report, have been approved for write-off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

7

Relighting Our Council

Councillor Ian Brookfield presented the report on a high level approach to 'Relighting Our Council', which had been developed in consultation and engagement with staff and key stakeholders. The vision and strategy set out how the Council would develop a workforce enabled to deliver for the future that maximises outcomes for local people, learning from the experiences during the Covid-19 pandemic and adopting modern, best practice ways of working.

Cabinet gave credit to the Council's employees and Senior Management Team for the way they operated throughout the pandemic and for engaging with the process for developing the new approach for delivering services to the public.

Resolved:

1. That the Relighting Our Council vision and strategy, which sets out the high-level approach to develop a new flexible and agile operating model in order to best meet the needs of our city be approved.
2. That the proposal to engage with the organisation and consult with the Trade Unions on the development of a fair, inclusive, and equitable 'Our employee/people offer' be approved.
3. That the drawdown of £200,000 funding which has been previously set aside in the Transformation Reserve for the Our Assets Programme and the utilisation of other existing funding allocations to facilitate this strategy, as outlined in the financial implications be approved.
4. That it be noted that in line with this high level Relighting Our Council strategy, further work would be done to develop a new workspace strategy, new employee offer and Our People Strategy, new staff sustainable travel policy and new digital strategy to ensure the delivery of better outcomes for local people.
5. That the outcome of the pre-decision scrutiny undertaken by the Our Council Scrutiny Panel on 2 November, summarised at paragraph 2.4 and appendix 2 to the report be noted.

8

Updated Regulation of Investigatory Powers Act (RIPA) Policy

Councillor Paula Brookfield presented the update report on how the Council is meeting its legal obligations under the RIPA and the Investigatory Powers Act 2016 (IPA). The legislation helped the Council ensure it keeps its residents safe and the environment protected through the use of necessary and proportionate lawful covert investigation techniques such as covert surveillance, covert CCTV cameras and covert intelligence gathering. Cabinet was asked to approve an updated corporate RIPA Covert Investigation Policy and Corporate RIPA Operating procedure and to note the Council's response to the most recent inspection of its arrangements in respect to RIPA regulated matters.

Resolved:

1. That the updated, corporate RIPA Covert Investigation Policy and corporate RIPA Operating Procedure be approved.

2. That the contents of the report and the steps taken to address comments made by the most recent inspection of the Council's arrangements in respect to RIPA regulated matters be noted.

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| CITY OF WOLVERHAMPTON COUNCIL | Cabinet 8 December 2021 |
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|--|---|--|
| Report title | Council Tax Base and Business Rates (NDR) Net Rate Yield 2022-2023 and Draft Budget Update 2022-2023 | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Ian Brookfield Leader of the Council | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable director | Claire Nye, Director of Finance | |
| Originating service | Strategic Finance | |
| Accountable employee(s) | Alison Shannon Tel Email | Chief Accountant 01902 554561 alison.shannon@wolverhampton.gov.uk |
| Report to be/has been considered by | Strategic Executive Board | 29 November 2021 |

Recommendations for decision:

The Cabinet is recommended to:

1. Set the Collection Fund Council Tax Base for 2022-2023 at 64,936.94 Band D equivalents.
2. Set the Collection Fund Business Rates, also referred to as Non-Domestic (NDR), Net Rate Yield for 2022-2023 at £65.6 million.
3. Delegate authority to the Leader of the Council 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 Department for

Levelling Up, Housing and Communities or data revisions and changes in projections;

- b. The Council Tax Base as a result of any data revisions and changes in projections.

Recommendations for noting:

That Cabinet is asked to note:

1. The impact on the draft budget strategy for 2022-2023 including the headlines arising from the Spending Review 2021.
2. That the final budget report presented to Cabinet in February 2022 will reflect the outcome of the settlement and detailed budget work for 2022-2023, including a review of all budget reduction proposals and the risks associated with their delivery.
3. That for the purposes of the budget setting process an increase in council tax of 1.99% and a 1% adult social care precept is assumed for 2022-2023, in line with the Spending Review Statement.

1.0 Purpose

- 1.1 The purpose of this report is to set the estimates for Wolverhampton Collection Fund 2022-2023, which the Council manages on behalf of local precepting bodies and central government, and to provide an update on the draft budget strategy 2022-2023 following the headlines arising from the Spending Review 2021.

2.0 Background

- 2.1 In accordance with the Local Government Finance Act 2012, the Council must set a Council Tax Base before the end of January which will be used to set the Council Tax Requirements for the following year. It represents the total number of Band D equivalent council taxpayers from whom the Council will collect council tax in the year ahead. The total tax collected is shared in agreed proportions with the West Midlands Police and Crime Commissioner and the West Midlands Fire and Rescue Authority.
- 2.2 The Council must also set a Business Rates baseline net rate yield which is used to estimate the amount that the authority will keep as its local share of business rates and pay over to the West Midlands Fire and Rescue Authority. It represents the total estimated liability for business rates, net of discounts and reliefs, in the Council's area for the year ahead.
- 2.3 The setting of the Council Tax Base and Business Rates baseline net rate yield both impact directly on the Council's General Fund budget and Medium Term Financial Strategy (MTFS).
- 2.4 The Council Base for 2022-2023 must be determined by 31 January 2022 and notified to the precepting bodies on or before that date, so that they can use the information in setting their precepts for 2022-2023. This will determine cashflows between the Collection Fund and precepting bodies during 2022-2023.
- 2.5 The Business Rates baseline net yield must be determined by 31 January 2022 and notified to the Department for Levelling Up, Housing and Communities (DLUHC) on their NNDR1 form. This will determine cashflows between the Collection Fund and the Council and the West Midlands Fire and Rescue Authority for 2022-2023.
- 2.6 In October 2016, Cabinet approved that the Council, as one of the Constituent Members of the West Midlands Combined Authority (WMCA), participates in a business rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will: retain 99% of business rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes. It is anticipated that the Council will continue to be part of the business rates retention pilot in 2022-2023. As mentioned in section 3, the Council has seen a decline in the collection rate during 2020-2021 due to the pandemic however collection performance for 2021-2022 is now improving when compared to 2020-2021. The Council is currently working with other members of the pilot to review the revised business rates assumptions to ensure that the region is still in a no financial detriment position.

- 2.7 The NNDR1 form is expected to be issued by DLUHC in December 2021. Work has been ongoing to forecast the business rates net yield for 2022-2023, however, approval is sought to delegate authority to the Leader of the Council in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2022.
- 2.8 On 27 October 2021, the Spending Review 2021 Statement was announced. As part of this, the Government announced that the referendum threshold for increases in council tax is expected to remain at 1.99% per year, which is in line with the assumptions built into the MTFS. Furthermore, the Government have announced that local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year over the spending review period from 2022-2023 to 2024-2025.

3.0 Covid-19

- 3.1 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 significantly distorted the budget and MTFS. Due to this distortion, it is difficult to confirm the exact costs directly associated with the pandemic. It is important to note that the cost of dealing with the pandemic extend beyond the immediate period. It is not yet known how long the pandemic will go on for or what the level of future support will be required.
- 3.2 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. The Council has seen a decline in the collection rate during 2020-2021 due to the pandemic however collection performance for 2021-2022 is now improving when compared to 2020-2021.
- 3.3 The Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024 reported to Cabinet on 20 October 2021, stated that there continues to be considerable uncertainty with regards to future funding streams for local authorities over the forthcoming multi-year Spending Review period and that the Covid-19 pandemic has significantly distorted the budget. This report provides an update on announcements made in the Spending Review Statement but notes that we are waiting on the Finance Settlement to provide further detail and clarity.
- 3.4 Whilst we still wait confirmation of the settlement, it is currently predicted that the Council is on track to set a balanced budget for 2022-2023, however, these proposals are mainly one-off and not sustainable over the medium term.

4.0 Council Tax Base Assumptions

- 4.1 The method used to calculate the Council Tax Base for 2022-2023 is set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012.

- 4.2 The calculation starts with the base figures from October 2021 and then adjusts these for known and projected growth. It also takes into account the increase in Local Council Tax Support claimants, when compared to pre Covid-19 pandemic levels, as a result of changes in circumstances due to the pandemic.
- 4.3 The total Tax Base, expressed in terms of the number of Band D equivalents, has then been multiplied by a net collection rate of 96.33%.

Table 1 – Council Tax Base 2022-2023

| | Number of Band D Equivalents |
|--|---|
| October 2021 baseline | 78,477.28 |
| Council Tax Reduction Scheme | (11,815.90) |
| New build and growth forecast | 748.00 |
| Total taxbase before collectability adjustment | 67,409.38 |
| Final taxbase including collectability adjustment | 64,936.94 |

- 4.4 The Council Tax Base is expressed as Band D equivalents, however, within Wolverhampton the average property falls within Band A.

5.0 Business Rates Yield Estimates

- 5.1 The method used to calculate the Business Rates net rate yield for 2022-2023 is set out in the NNDR1 form issued by central government and associated guidance.
- 5.2 It specifies that an authority starts with the base figures from December 2021 Valuation Office Agency (VOA) list, then adjusts them for known and projected growth in the base, reliefs and losses from appeals which are currently in hand.
- 5.3 As stated above, the Covid-19 pandemic has had a significant international, national and regional impact and will continue to do so over the short and medium term. During 2020-2021 and 2021-2022 in response to the Covid-19 pandemic, the Government have provided business rates reliefs particularly to businesses within the retail sector, for which the Council has been compensated by Section 31 grant to cover the reduction in business rates income. As part of the Spending Review 2021, the Government announced that there will be a 50% discretionary business rates relief (currently 66%) for businesses in the retail, hospitality and leisure sectors in 2022-2023 up to a cap of £110,000. Whilst we await confirmation of the criteria from Government, the projections below include the forecast cost of granting that relief. These assumptions could be subject to change once further guidance has been received.

Table 2 – Business Rates Net Rates Yield Estimate 2022-2023

| | £000 |
|--|---------------|
| Baseline | 98,233 |
| Transitional Arrangements (net cost for CWC) | (70) |
| Transitional Arrangements (payable from CLG) | 70 |
| Mandatory reliefs | (16,093) |
| Unoccupied property | (3,200) |
| Discretionary reliefs | (5,935) |
| Losses on collection | (3,118) |
| Appeals | (3,307) |
| Disregarded Amounts in respect of Designated Areas | (697) |
| Cost of collection | (332) |
| Estimated Net rate yield | 65,551 |

- 5.4 As stated in paragraph 2.6 above, Cabinet approved that that the City of Wolverhampton Council, as one of the Constituent Members of the WMCA, is participating in a 100% business rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will: retain 99% of business rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes.
- 5.5 It is anticipated that the NNDR1 form will be issued by the Department for Levelling Up, Housing and Communities in December 2021. Work has been ongoing to forecast the business rates net yield for 2022-2023, however, approval is sought to delegate authority to the Leader of the Council in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2022.
- 5.6 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 2021-2022 has been agreed with the WMCA. The assumed growth of £9.0 million attributed to the WMCA in 2021-2022, 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 due from Wolverhampton of £680,200 (in 2020-2021 the contribution was £564,300).
- 6.0 Draft Budget Strategy 2022-2023 - impact of the Spending Review 2021**
- 6.1 The Spending Review 2021 Statement was announced was announced on the 27 October 2021. The key points arising from the announcement and the impact on the Council's Medium Term Financial Strategy (MTFS) are detailed in the paragraphs below. It is important to note that information is currently at a very high level; we are therefore unable to clarify what this means for specific grant allocations for Wolverhampton at this stage. It is anticipated that detailed allocations will be made available as part of the Provisional Local Government Finance Settlement, which is due mid-December 2021.

Council Tax Referendum Limit

- 6.2 The Government announced that the referendum threshold for increases in council tax is expected to remain at 1.99% per year, which is in line with the assumptions built into the MTFS.

Adult Social Care Precept

- 6.3 The Government have announced that local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year over the spending review period from 2022-2023 to 2024-2025.
- 6.4 Taking account of the above, whilst we await further details as part of the Provisional Local Government Settlement, this report assumes an increase in council tax of 1.99%, in addition to the adult social care precept of 1%, totalling 2.99% for 2022-2023. This is in line with Government's provision for local authorities to access resources to deliver core services, and with regards to the adult social care precept to support the increasing costs in adult social care.
- 6.5 As reported to Cabinet in October 2021, in the Draft Budget and Medium Term Financial Strategy 2022-2023 to 2024-2025 report, Government announced proposals to levy additional funding from an increase in national insurance to fund cost pressures within health and social care. It is anticipated that additional funding of around £12 billion per year nationally will be raised through a 1.25% levy, based on national insurance contributions. Of this £5.4 billion will be used to fund social care between 2022-2023 and 2024-2025. The plans include a cap on the amount anyone will need to spend on their personal care over their lifetime, which will come into effect from October 2023. At the point of writing, it is not known to what extent any additional funding will cover the additional costs arising as a result of the proposals to reform social care. The Final Budget report which will be presented to Cabinet in February and Full Council in March 2022, will seek approval to this increase.

Business Rates Multiplier

- 6.6 The Government have announced that there would be a freeze on the business rates multiplier for 2022-2023 and local authorities will be compensated for the shortfall in income via a section 31 grant. At the point of writing, it is not known whether the section 31 grant will compensate for CPI at September 2021, or at an inflation level of 2% as in previous years. The Final Budget report which will be presented to Cabinet in February will be updated to reflect this change.
- 6.7 In addition to this as stated above, the Government have announced a 50% discretionary business rates relief (currently 66%) for businesses in the retail, hospitality and leisure sectors in 2022-2023 up to a cap of £110,000. This is expected to be funded via a Section 31 grant. At the point of writing, the Council awaits the publication of the NNDR1 which is due to be issued by the Department for Levelling Up, Housing and Communities in December 2021. This form will derive the level of Section 31 grant to be received.

Children and Families

- 6.8 Additional investment of £170 million in 2024-2025 has been announced by the Government to increase the hourly rate to be paid to early years providers to deliver free childcare hours.

- 6.9 £302 million investment will be provided to fund new programmes to support parents and parent-infant mental health support and rollout to Family Hubs across England.
- 6.10 The Government have stated that they will deliver significant support for pupils and teachers increasing the core schools budget in England by £4.7 billion by 2024-2025, an additional £2.6 billion capital funding for new school places for children with special educational needs and disabilities, plus £1.8 billion to recover lost learning as a result of the pandemic.
- 6.11 The Government have announced that there will be an increase in adult skills funding. £1.6 billion new investment will be provided for 16-19 year olds' education in England, enabling demographic growth and additional hours for learners who take T-Levels.

Other grants

- 6.12 The Spending Review announced that Public Health grant will be increased real terms. However, at the point of writing there are a number of grants including New Homes Bonus, where we await further details as part of the Provisional Local Government Finance Settlement.
- 6.13 At the time of writing this report, there continues to be considerable uncertainties with regards to future funding streams for local authorities over the forthcoming financial year and medium term and it is particularly challenging to establish a medium term financial strategy at this point in time. As further information is made available, it will be incorporated into the Council's MTFS and updates will be provided to Councillors in future budget reports. 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.

7.0 Evaluation of alternative options

- 7.1 The Council Tax Base and the Net Business Rates Yield have been prepared in accordance with relevant legislation.

8.0 Reasons for decisions

- 8.1 To comply with legislative requirements, Cabinet are recommended to approve the Council Tax Base and Net Business Rates Yield for 2022-2023. This will inform the budget setting process for 2022-2023, for the Council and precepting bodies.
- 8.2 Approval is also sought to delegate authority to the Leader of the Council, in consultation with the Director of Finance, to approve any final changes to the final Business Rates Net Yield as required as a result of changes to the NNDR1 form and the Council Tax Base reflecting any further information received ahead of the statutory deadline of 31 January 2022.

9.0 Financial Implications

- 9.1 The recommended Tax Base, based on 2021-2022 levels, would provide the Council with council tax income, including adult social care precept, of £114.7 million. The MTFS

assumes a council tax increase of 1.99% for 2022-2023 and the option for a 1% adult social care precept for 2022-2023 was announced at Spending Review 2021. Therefore at the recommended tax base the total council tax income would be in the region of £118.1 million.

- 9.2 Of the £65.6 million net rate yielded by business rates forecast to be collected in 2022-2023 the Council would retain £64.9 million under the 99% business rate retention scheme pilot. However, an element of the real terms growth in the central share of business rates will be passported to the West Midlands Combined Authority. Work is ongoing to determine this contribution for 2022-2023. An update will be provided in the Final Budget Report to Cabinet on 23 February 2022.
- 9.3 It is anticipated that the Provisional Local Government Finance Settlement and the NNDR1 form will be issued by the Department for Levelling Up, Housing and Communities in December 2021. As further information is made available, it will be incorporated into the Council's MTFS and final budget report which will be presented to Councillors in February and March 2022.
- 9.4 With the information that is currently available and incorporating the ongoing work to review emerging budget pressures, in the opinion of the Director of Finance the Council is on track to set a balanced budget for 2022-2023.
- 9.5 Work has been ongoing to forecast the council tax base and business rates net yield for 2022-2023, however, approval is sought to delegate authority to the Leader of the Council in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2022; this figure is therefore preliminary and subject to change. The final position will be reported in the Final Budget Report to Cabinet on 23 February 2022.
[MH/30112021/Z]

10.0 Legal Implications

- 10.1 The relevant legislation is contained in the body of the report and the recommendations will ensure the Council complies with the relevant legislation.
[TC/30112021/A]

11.0 Equalities Implications

- 11.1 The method by which the MTFS and supporting resources, including those detailed in this report for 2022-2023 are developed, is governed by the Council Plan priorities, which itself was guided by consultation and equality analysis. All of this will enable Councillors to pay, "due regard" to the equalities impact of their budget decisions at that point in the budget development process. The resulting and final report to Cabinet and Council will contain a supporting equality analysis that will offer information across the whole range of proposals and in doing so enable Councillors to discharge their duty under Section 149 of the Equality Act 2010.

12.0 All other implications

12.1 The Covid implications are detailed in the body of this report.

13.0 Schedule of background papers

13.1 [Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024](#), report to Cabinet, 20 October 2021.

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| CITY OF WOLVERHAMPTON COUNCIL | Cabinet 8 December 2021 |
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| | | |
|--|--|---|
| Report title | Collection Fund Estimated Outturn 2021-2022 | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Ian Brookfield Leader of the Council | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable director | Claire Nye, Director of Finance | |
| Originating service | Strategic Finance | |
| Accountable employee(s) | Alison Shannon Tel Email | Chief Accountant 01902 554561 alison.shannon@wolverhampton.gov.uk |
| Report to be/has been considered by | Strategic Executive Board | 29 November 2021 |

Recommendations for decision:

The Cabinet is recommended to approve:

1. The estimated outturn for Council Tax in 2021-2022 is a cumulative deficit of approximately £3.5 million which includes the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over three years from 2021-2022 to 2023-2024.
2. The estimated outturn for Business Rates, also referred to as Non-Domestic Rates, in 2021-2022 is a cumulative deficit of approximately £15.4 million; this is as a result of a cumulative deficit totalling £6.1 million brought forward from 2020-2021, which the Government confirmed could be spread over three years from 2021-2022 to 2023-2024, and an estimated deficit in 2021-2022 totalling approximately £9.3 million.
3. That authority be delegated to the Leader of the Council, 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 2022.

4. That authority be delegated to the Director of Finance to confirm and arrange the final payments to the precepting authorities.

Recommendations for noting:

The Cabinet is recommended to note:

1. That at the point of writing the Council awaits confirmation of the Government's view regarding the spread of the 2020-2021 deficit. The information provided in this report are therefore estimates at this stage and are subject to change following the publication of guidance as part of the Provisional Local Government Finance Settlement.

1.0 Purpose

- 1.1 The purpose of this report is to inform Cabinet of the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2021-2022.

2.0 Background

- 2.1 Council Tax billing authorities are required to maintain a Collection Fund in accordance with Sections 89 and 90 of the Local Government Finance Act 1988. The operation of the Collection Fund is prescribed in detail by a series of specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992. Broadly, the Collection Fund's income comes from receipts of Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), collected from taxpayers and any amounts transferred in (e.g. in respect of previous years' deficits). Expenses met from the Fund consist of adjustments to individuals' and companies' tax liabilities (refunds etc.), the billing authority's own budget demand, write offs, precepts and previous years' surpluses transferable out.
- 2.2 Each billing authority must make an estimate of the surplus or deficit for the Council Tax and Business Rates transactions of the Collection Fund for the current financial year. Such estimated surpluses or deficits do not remain in the Collection Fund but are shared between the billing authority, precepting authorities and central government (where applicable) in the year following the financial year to which they relate. Precepting authorities should be notified of their share of any surplus or deficit within seven working days of the estimate being made.
- 2.3 The surplus or deficit is then transferred in instalments in the financial year following the year for which the surplus or deficit has been estimated. In the case of billing authorities, the amounts are transferable in accordance with the schedule of instalments adopted for the payment of precepts and demands. Transfers to or from precepting authorities must take place in no more than ten equal instalments in the following year. The first and final instalments are to be paid by 31 May 2022 and 31 March 2023 respectively with an equal number of working days between instalments.
- 2.4 All Collection Fund surpluses or deficits for Council Tax transactions are to be ignored for the purpose of calculating the billing or precepting authority's budget requirement. They are, however, to be taken into account in calculating a billing authority's basic Council Tax or a joint authority's precept.
- 2.5 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.

- 2.6 During 2020-2021 and 2021-2022, Covid-19 has had a significant international, national and regional impact and will continue to do so over the short and medium term. It is not yet known how long the pandemic will go on for or what the level of future support required will be. 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. The Council has seen a decline in the collection rate during 2020-2021 due to the pandemic however collection performance for 2021-2022 is now improving when compared to 2020-2021.

3.0 Council Tax Estimated Outturn 2021-2022

- 3.1 The estimate on the Collection Fund for 2021-2022 in relation to Council Tax is set out below and includes assumptions about collection rates. It is forecast that there will be an accumulated deficit in the region of £3.5 million at 31 March 2022, which includes the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over 3 years from 2021-2022 to 2023-2024.

Table 1 – Forecast Council Tax Outturn 2021-2022

| | £000 | £000 |
|--|-----------|------------------|
| Actual accumulated deficit at 1 April 2021 | | 6,602 |
| Apportionment of 2021-2022 estimated deficit calculated January 2021 (payments made during 2021-2022) | | |
| Pre 2020-2021 deficit | | |
| City of Wolverhampton Council | (936) | |
| West Midlands Police and Crime Commissioner | (88) | |
| West Midlands Fire and Rescue Authority | (34) | (1,058) |
| One third 2020-2021 estimated deficit | | |
| City of Wolverhampton Council | (1,971) | |
| West Midlands Police and Crime Commissioner | (191) | |
| West Midlands Fire and Rescue Authority | (72) | (2,234) |
| Net deficit 2020-2021 to be apportioned in 2022-2023 and 2023-2024 | | 3,310 |
| | | |
| Estimated income 2021-2022 | | |
| Income from Council Tax | (133,248) | |
| Council Tax Hardship Fund relief reimbursement – funded by grant | (58) | |
| Total estimated income | | (133,306) |
| Estimated expenditure 2021-2022 | | |
| Demands on Collection Fund | | |

| | | |
|---|---------|----------------|
| City of Wolverhampton Council | 112,251 | |
| West Midlands Police and Crime Commissioner | 11,289 | |
| West Midlands Fire and Rescue Authority | 4,008 | |
| Provision for non-collection of council tax | 5,953 | |
| Total estimated expenditure | | 133,501 |
| Net estimated deficit 2021-2022 | | 195 |
| | | |
| Estimated accumulated deficit at 31 March 2022 | | 3,505 |

- 3.2 The overall position in terms of the allocation of the deficit between the Council and the precepting bodies is summarised in Table 2. The split is based on the 2021-2022 council tax bill that was approved by Full Council in the formal council tax resolutions on 3 March 2021.
- 3.3 As detailed above, the Covid-19 pandemic has had a significant impact on Wolverhampton. The Council has seen a decline in the collection rate during 2020-2021 due to the pandemic however collection performance for 2021-2022 is now improving when compared to 2020-2021.
- 3.4 The Government announced that that the repayment of collection fund deficits arising in 2020-2021 could be spread over a three year period (2021-2022 to 2023-2024). Based upon 2020-2021 guidance, the sums due from the two precepting authorities will be reflected in equal instalments alongside the precepts payable for 2022-2023 as set out in paragraph 2.3.
- 3.5 It is important to note that, at the point of writing, the Council awaits confirmation of the Government's view regarding the spread of the 2020-2021 deficit. The information provided in the tables below are therefore estimates at this stage and are subject to change following the publication of guidance as part of the Provisional Local Government Finance Settlement.

Table 2 – Recommended split of forecast Council Tax deficit for 2021-2022, to be distributed in 2022-2023 and 2023-2024

| Council Tax | City of Wolverhampton Council | West Midlands Police and Crime Commissioner | West Midlands Fire and Rescue Authority | Total |
|--|--|--|--|--------------|
| | £000 | £000 | £000 | £000 |
| Actual accumulated deficit at 1 April 2021 | 5,825 | 563 | 214 | 6,602 |

| | | | | |
|--|--------------|------------|------------|--------------|
| Less: Apportionment of pre 2020-2021 estimated deficit calculated January 2021 (payments made during 2021-2022) | (936) | (88) | (34) | (1,058) |
| Less: Apportionment of one third of 2020-2021 estimated deficit calculated January 2021 (to be spread over 3 years from 2021-2022) | (1,971) | (191) | (72) | (2,234) |
| Remaining accumulated deficit at 1 April 2021 (to be apportioned during 2022-2023 and 2023-2024) | 2,918 | 284 | 108 | 3,310 |
| Apportionment of 2021-2022 estimated deficit calculated January 2022 | 172 | 17 | 6 | 195 |
| | | | | |
| Total Forecast Deficit at 31 March 2022 (to be apportioned) | 3,090 | 301 | 114 | 3,505 |

4.0 Business Rates (Non-Domestic Rates) Estimated Outturn 2021-2022

- 4.1 The estimate on the Collection Fund for 2021-2022 in relation to Business Rates, also referred to as Non-Domestic Rates (NDR), is set out below. It is forecast that there will be an accumulated deficit of £15.4 million at 31 March 2022 which includes the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over three years from 2021-2022 to 2023-2024.

Table 3 - Forecast Business Rates Outturn 2021-2022

| | £000 | £000 |
|--|------|--------|
| Actual accumulated deficit at 1 April 2021 | | 40,300 |
| Apportionment of 2020-2021 estimated deficit calculated as at January 2021 (payments made during 2021-2022) | | |

| | | |
|---|----------|-----------------|
| Pre 2020-2021 deficit | | |
| City of Wolverhampton Council | (809) | |
| West Midlands Fire and Rescue Authority | (8) | (817) |
| 2020-2021 deficit linked to Covid-19 reliefs funded by grant | | |
| City of Wolverhampton Council | (30,354) | |
| West Midlands Fire and Rescue Authority | (307) | (30,661) |
| One third 2020-2021 estimated deficit | | |
| City of Wolverhampton Council | (2,701) | |
| West Midlands Fire and Rescue Authority | (27) | (2,728) |
| Net deficit 2020-2021 to be apportioned in 2022-2023 and 2023-2024 | | 6,094 |
| | | |
| Estimated income 2021-2022 | | |
| Income from Business Rates (NDR) | (66,234) | |
| Transitional payment | (103) | |
| Reconciliation payment | 700 | |
| Total estimated income | | (65,637) |
| Estimated expenditure 2021-2022 | | |
| Demands on Collection Fund | | |
| City of Wolverhampton Council | 68,858 | |
| (including designated areas and renewable energy) | | |
| West Midlands Fire and Rescue Authority | 688 | |
| Provision for non-collection of NDR (incl. appeals) | 5,109 | |
| Cost of Collection Allowance | 332 | |
| Total estimated expenditure | | 74,987 |
| Net estimated deficit 2021-2022 | | 9,350 |
| | | |
| Estimated accumulated deficit at 31 March 2022 | | 15,444 |

- 4.2 As detailed above, the Covid-19 pandemic has had a significant impact on the Wolverhampton community and economy. It is important to note, that it continues to be very difficult to arrive at an accurate forecast for business rates collection during 2021-2022 however collection performance for 2021-2022 is now improving when compared to 2020-2021.

- 4.3 The overall position in terms of the allocation of the deficit between the Council and the precepting body is summarised in Table 4 below.
- 4.4 It is important to note that, at the point of writing, the Council awaits confirmation of the Government's view regarding the spread of the 2020-2021 deficit. The information provided in the tables below are therefore estimates at this stage and are subject to change following the publication of guidance as part of the Provisional Local Government Finance Settlement.

Table 4 – Recommended split of forecast Business Rates deficit for 2021-2022, to be distributed in 2022-2023 and 2023-2024

| Business Rates | City of Wolverhampton Council | West Midlands Fire and Rescue Authority | Central Government | Total |
|---|--|--|-------------------------------|---------------|
| | £000 | £000 | £000 | £000 |
| Actual accumulated deficit at 1 April 2021 | 39,636 | 403 | 261 | 40,300 |
| Less: Apportionment of pre 2020-2021 estimated deficit calculated January 2021 (payments made during 2021-2022) | (809) | (8) | - | (817) |
| Less: Estimated deficit linked to Covid-19 reliefs funded by grant calculated January 2021 (to be spread over 3 years from 2021-2022) | (30,354) | (307) | - | (30,661) |
| Less: Apportionment of one third of 2020-2021 estimated deficit calculated January 2021 (to be spread over 3 years from 2021-2022) | (2,701) | (27) | - | (2,728) |
| Remaining accumulated deficit at 1 April 2021 | 5,772 | 61 | 261 | 6,094 |

| | | | | |
|--|---------------|------------|------------|---------------|
| (to be apportioned during 2022-2023 and 2023-2024) | | | | |
| Apportionment of 2021-2022 estimated deficit calculated January 2022 | 9,257 | 93 | - | 9,350 |
| | | | | |
| Total Forecast Deficit at 31 March 2022 (to be apportioned) | 15,029 | 154 | 261 | 15,444 |

- 4.5 It is important to note that, within the 2021-2022 deficit stated above, the Government have provided Section 31 grant for Covid-19 business rates reliefs granted to businesses, in order to compensate local authorities for the reduction in business rates income.

5.0 Evaluation of alternative options

- 5.1 The estimated outturn on the Collection Fund for 2021-2022 has been prepared in accordance with specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992.

6.0 Reasons for decisions

- 6.1 Cabinet is recommended to approve the payments to/from the precepting bodies based on the estimated outturn of the Collection Fund for 2021-2022. This will inform the budget setting process for 2022-2023, for the Council and precepting bodies.
- 6.2 Approval is also sought to delegate authority to the Leader of the Council, 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 2022. This will ensure that the most up to date information is used to inform 2022-2023 budgets.

7.0 Financial implications

- 7.1 The total Collection Fund accumulated deficit in 2021-2022 is estimated to be in the region of £18.9 million, of which the Council will be expected to retain a deficit of approximately £18.1 million to be apportioned over 2022-2023 and 2023-2024. This is the net sum of the forecast deficit relating to Council Tax (£3.1 million Table 2) and forecast deficit relating to Business Rates (£15.0 million Table 4). It is important to note that this forecast deficit is before the forecast compensation for Covid-19 business rates reliefs via Section 31 grant provided to billing authorities in 2021-2022 in order to compensate them for the reduction in business rates income.

- 7.2 The Council's Medium Term Financial Strategy will be updated to reflect the forecast outturn on the Collection Fund.
- 7.3 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.
[MH/30112021/Z]

8.0 Legal implications

- 8.1 The relevant legislation is contained in the body of the report and the recommendations are made in accordance with the legislation.
[TC/30112021/B]

9.0 Equalities implications

- 9.1 There are no relevant equalities implications arising from this report, however the method by which the MTFS and supporting resources, including those detailed in this report for 2022-2023 are developed, is governed by the Council Plan priorities, which itself was guided by consultation and equality analysis. All of this will enable Councillors to pay, "due regard" to the equalities impact of their budget decisions at that point in the budget development process. The resulting and final report to Cabinet and Council will contain a supporting equality analysis that will offer information across the whole range of proposals and in doing so enable Councillors to discharge their duty under Section 149 of the Equality Act 2010.

10.0 All other implications

- 10.1 The Covid implications are discussed in the body of the report.

11.0 Schedule of background papers

- 11.1 Council, 3 March 2021 – '[Council Tax Formal Resolutions](#)'
- 11.2 Council, 4 March 2020 – '[Council Tax Formal Resolutions](#)'

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| CITY OF WOLVERHAMPTON COUNCIL | Cabinet 8 December 2021 |
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| | | |
|--|---|-----------------------------------|
| Report title | South Staffordshire Local Plan Preferred Options Consultation | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Stephen Simkins Deputy Leader: Inclusive City Economy | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable Director | Richard Lawrence, Director of Regeneration | |
| Originating service | Planning | |
| Accountable employee | Michele Ross | Lead Planning Manager |
| | Tel | 01902 554038 |
| | Email | Michele.Ross@wolverhampton.gov.uk |
| Report to be considered by | Regeneration Leadership Team | 9 and 23 November 2021 |
| | Strategic Executive Board | 19 November 2021 |

Recommendation for decision:

The Cabinet is recommended to:

1. Approve the following principles as the basis of the Council's response to the South Staffordshire Local Plan (SSLP) Preferred Options consultation:

Duty to Cooperate and Statements of Common Ground

- a) Acknowledgment that the Black Country Authorities (BCA) and South Staffordshire District Council (SSDC) have been working together constructively on planning issues of mutual interest and that this is expected to continue. Going forward, it is essential that the phasing of site delivery and associated infrastructure (including the construction period) is managed in a coordinated manner given the clustering of proposed allocations and the cumulative impact of development.

- b) Expectation that, as the Black Country Plan (BCP) and SSLP both move towards Publication in summer 2022, the BCA and SSDC will aim to reach agreement on all relevant cross-boundary issues and reflect this agreement in draft Statements of Common Ground to support each Plan;
- c) Support for the preferred housing growth option of local housing need plus 4,000 homes to meet Greater Birmingham and Black Country Housing Market Area need up to 2038;
- d) Given detailed evidence provided by the Draft BCP that the Black Country has a very significant housing shortfall up to 2039, and the close geographical, migration and commuting links between the Black Country and South Staffordshire, request that the full 4,000 homes should be specifically allocated to meet Black Country housing needs;
- e) Support the longer term growth aspirations for a new settlement with strong sustainable transport links to the Black Country, which could help meet longer term Black Country housing shortfalls;
- f) Request that the South Staffordshire Housing and Employment Needs Assessment (HEDNA) is completed as soon as possible, with due regard to the Black Country EDNA (2021) and the West Midlands Interchange Apportionment Study, and shared with the BCA as soon as possible to determine how far the SSLP will be able to contribute towards significant unmet employment land needs in the Black Country.

Site allocations and cross-boundary infrastructure

- g) Noting the scale and location of the proposed extensions to the Wolverhampton urban area and to commit to require further work on infrastructure requirements associated with the type, scale, location and phasing of development and assurances that close joint working on all relevant planning issues will continue throughout the Plan preparation process, Supplementary Planning Document (SPD) preparation, pre-application and planning application processes;
- h) Request that a SPD and Infrastructure Delivery Strategy is also prepared for the Langley Road site;
- i) Request that the affordable housing secured on sites proposed in the Plan within the Wolverhampton locality are allocated through nomination rights for Wolverhampton residents, and that this requirement is set out in the Publication Plan;
- j) Request that the combined impact of SSLP and BCP developments on the wider transport network is assessed, that development links effectively to the strategic transport network and avoids excessive pressure on sensitive transport links, that effective sustainable transport solutions are provided to connect essential trips to the local network, and that developments seek to minimise trip generation through all available mechanisms;
- k) Support for the continued promotion of the existing Brinsford Strategic Park and Ride site allocation in the Preferred Options and request that this project and other supporting infrastructure which increases access to the rail network should be fully promoted in the SSLP;

- l) Support for developing a Statement of Common Ground establishing the principle of self-containment regarding primary and secondary school places for both the SSLP and the BCP, however request further detail on how secondary school places arising from Linthouse Lane and Cross Green would be accommodated;
- m) Request that land is set aside at Linthouse Lane and/or Cross Green sufficient to accommodate GP consulting rooms to serve all residents, in line with the principle of self-containment for urban extensions;
- n) Request that SSDC develop a developer contribution system which will secure sufficient funds from major housing development to deliver GP consulting rooms in a timely manner, so that there are no negative impacts on Wolverhampton GP service provision;
- o) Request that the SSLP makes clear that the Langley Road development will be required to make sufficient contributions to deliver an extra GP consulting room in south west Wolverhampton;
- p) Request that green infrastructure proposals for developments on the edge of Wolverhampton are integrated with existing and potential networks in Wolverhampton.

1.0 Purpose

- 1.1 To summarise the content of the South Staffordshire Local Plan Preferred Options Consultation and seek approval for principles for a City of Wolverhampton Council (CWC) response.

2.0 Background

- 2.1 The South Staffordshire Site Allocations Document (SAD), which allocates sites for housing and employment development up to 2028, was adopted in June 2018. The SAD included a commitment to carry out an immediate review and submit a new Local Plan for examination by 2021 which would address longer term development needs up to 2037, including those arising from the Greater Birmingham and Black Country Housing Market Area (HMA).
- 2.2 At the end of 2018, South Staffordshire District Council (SSDC) published a Local Plan review Issues and Options consultation. This put forward five housing growth options, with a preferred option to meet local housing needs and also contribute 4,000 homes towards the HMA shortfall, based on the minimum capacity of the four areas of search identified for South Staffordshire in the HMA Strategic Growth Study (2018). The consultation also set out six spatial distribution policy options for delivery of the preferred housing option and potential employment land requirements. The CWC and Association of Black Country Authorities (ABCA) responses to the consultation supported the preferred option and a mix of spatial options which would deliver a proportionate amount of housing on the edge of the Black Country in line with the HMA Strategic Growth Study areas of search, subject to the findings of a joint Green Belt Assessment and other evidence.
- 2.3 In October 2019, SSDC published a Local Plan Spatial Housing Strategy and Infrastructure Delivery consultation, supported by a Green Belt Assessment. This set out a preferred spatial housing option G, which was “infrastructure-led”. The CWC and ABCA responses to the consultation supported the preferred housing growth option and recognised the approach used to select the preferred spatial housing option and the benefits of developing a draft Infrastructure Delivery Plan for this option. CWC also requested that a range of potential infrastructure impacts of housing sites located close to the border with Wolverhampton should be fully taken into account in consultation with CWC at the earliest opportunity.
- 2.4 On 1 November 2021 SSDC published a Local Plan Preferred Options consultation which sets out preferred housing and employment site allocations and policy directions and is supported by an updated Infrastructure Delivery Plan. The deadline for consultation responses is 13 December 2021. Responses and any new evidence (including on employment land needs) will be taken into account in the preparation of a Draft Plan (Publication version), programmed for consultation in summer 2022.

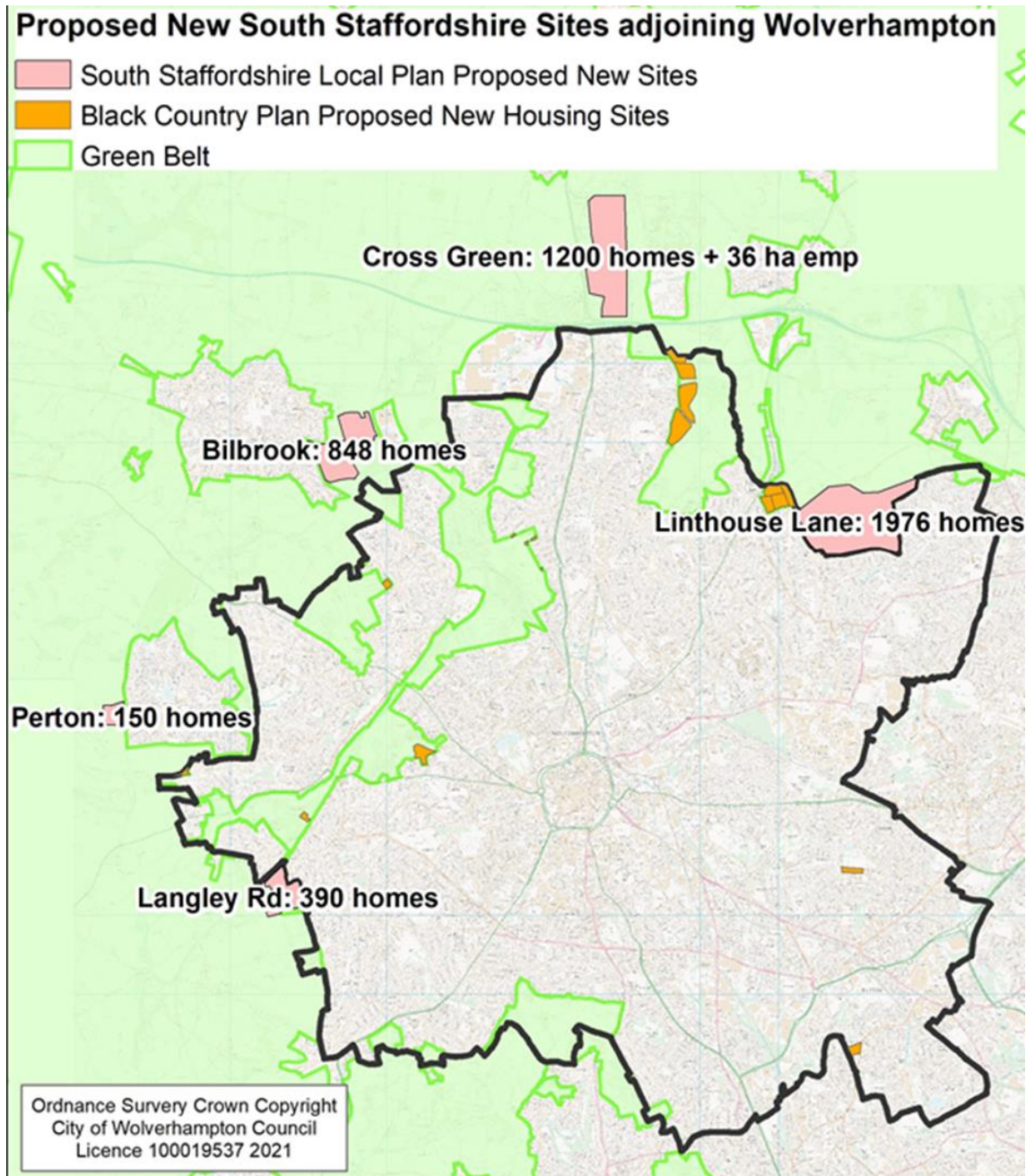
3.0 Summary of the Consultation

- 3.1 SSDC remain committed to contribute 4,000 homes towards the HMA shortfall, on top of the 4,881 homes required to meet their local housing need. However, this contribution is not apportioned between Birmingham and the Black Country. The consultation also sets out longer term aspirations for development of a new settlement along the A449 / West Coast Mainline corridor (around Penkridge) as part

of the next Plan review. This location was identified in the HMA Strategic Growth Study and has the potential to help meet longer term Black Country housing shortfalls. No specific contribution is offered towards the significant unmet need for new employment land in the emerging Black Country Plan (BCP). This is because work is yet to be completed on a South Staffordshire Housing and Employment Development Needs Assessment (HEDNA) which will determine the employment land needs of South Staffordshire.

- 3.2 The proposed spatial strategy largely follows the infrastructure-led, preferred spatial housing option G, although there are significantly fewer homes proposed on the western edge of the Black Country – 390 compared with 750 previously proposed.
- 3.3 The site selection criteria cover a range of planning issues, including impact on the historic environment, landscape sensitivity, natural environment constraints, flood risk, access issues, loss of open space, and making full use of brownfield site options first. These factors are weighed together to make a judgement as to which sites are selected for development. The site selection process makes use of the green belt harm and landscape sensitivity assessment ratings developed as part of the joint Black Country and South Staffordshire Green Belt study, in a manner consistent with the Draft BCP approach.
- 3.4 Most of the proposed new housing and employment development sites are located on the edge of existing South Staffordshire settlements, the majority on greenfield land which is currently green belt. However, there are significant extensions proposed to the Wolverhampton urban area at Linthouse Lane (1976 homes - 1,200 by 2038) and Langley Road (390 homes) and a significant mixed use allocation just north of Wolverhampton at Cross Green/ ROF Featherstone (1200 homes and 36 ha employment land). Policy DS3 states that SSDC will work cross-boundary with infrastructure bodies and statutory partners to ensure these sites are supported by any necessary infrastructure". Plan 1 shows the location of significant allocations which could have cross-boundary implications for Wolverhampton.

Plan 1



- 3.5 The Preferred Options is supported by an updated Infrastructure Delivery Plan (IDP) addressing a range of infrastructure issues including transport, schools, health facilities, community services, open space and retail. This has been developed through consultation with infrastructure providers and neighbouring authorities, including CWC. Some strategic infrastructure opportunities are identified, including: a First School to serve Codsall / Bilbrook; primary schools to serve Linthouse Lane and Cross Green; road access to ROF Featherstone Strategic Employment site across the west coast mainline to the A449 (to be delivered through the Cross Green development); Brinsford Strategic Park and Ride (on safeguarded land at Cross Green); enhancements to the Green Infrastructure Network and active travel network; and highway improvements around Perton including the A41 junction that would alleviate existing congestion.

- 3.6 The IDP states that any urban extension to the Black Country would be expected to deliver much of their new infrastructure demand on site, creating communities with a high degree of self-containment in terms of local shops, community facilities and primary schools, whilst having good access to higher-order facilities in the adjacent urban area. Smaller sites, such as Langley Road, which cannot sustain on site infrastructure are considered to be located within walking distance of a good range of services and facilities in the neighbouring urban area.
- 3.7 Policies SA2 and SA3 covering the Cross Green and Linthouse Lane sites require the preparation of Supplementary Planning Documents to address timely delivery of key infrastructure and design requirements, to be adopted in the early years of the Plan period and to include an Infrastructure Delivery Strategy.
- 3.8 Both sites are anticipated to be served by a new primary school, open space, local shops and “any necessary community facilities of an appropriate scale to meet the needs of the development whilst maintaining the vitality of services and facilities in the wider area”. Highways, sustainable transport and active travel infrastructure improvements are also expected to align with improvements proposed in Wolverhampton. Cross Green will include safeguarded land for a potential rail-based parkway and will be accessed by a link road from the A449, which will also provide access to the ROF Featherstone strategic employment site.

4.0 Implications for Wolverhampton and Proposed Principles for a Wolverhampton Consultation Response

Strategic

- 4.1 It is welcome that SSDC continue to be committed to offering 4,000 homes to meet the shortfall in the wider HMA. Given the proximity of the Black Country to South Staffordshire and strong migration and commuting links, it is reasonable to claim all of the 4,000 homes being offered by SSDC towards meeting Black Country housing needs. This would represent a crucial contribution towards the estimated Black Country shortfall of 28,239 homes up to 2039, which is now clearly demonstrated through the Draft BCP and supporting evidence. It is also welcome that there are longer term proposals to develop a new settlement which would have the potential to help meet future Black Country housing shortfalls.
- 4.2 The SSLP is also a significant potential contributor towards the large shortfall of 210 ha employment land evidenced by the Draft BCP and supporting 2021 Employment Development Needs Assessment (EDNA). Therefore, it is of concern that no specific contribution can be offered because the employment land needs of South Staffordshire have not yet been established through a Housing and Employment Development Needs Assessment (HEDNA). This crucial piece of evidence must be completed as soon as possible, so that the figures generated can be used to inform the Publication BCP, SSLP and supporting Statements of Common Ground between the BCA and SSDC.

- 4.3 The Preferred Options proposes some significant allocations near the edge of Wolverhampton, totaling 3,566 homes. Policy DS3 states that these should be considered extensions to the Black Country to assist in meeting HMA needs – strengthening the case that these homes will meet Black Country needs rather than Birmingham needs. There is also a strong case for Wolverhampton residents to secure nomination rights for the 30% affordable housing proposed on these sites.
- 4.4 The Cross Green mixed use development will help meet the employment land needs of the Black Country in a location close to significant employment opportunities at the i54 and ROF Featherstone strategic employment sites. The development will help deliver the ROF Featherstone strategic employment site and Brinsford Strategic Park and Ride site which will increase access to the rail network, and also addresses the HMA Strategic Growth Study recommendation for a strategic housing site in this locality.
- 4.5 There are only two options for a large urban extension north of the Black Country, as proposed in the 2019 consultation – Linthouse Lane and north of Walsall. The evidence points strongly towards Linthouse Lane being the least harmful and most sustainable of these options. There are also limited options for smaller sites along the western edge of the Black Country, of which Langley Road has been selected as the least harmful and most sustainable. Selection of this site represents a welcome reduction in the amount of development along the western edge of the Black Country from 750 to 390 homes.

Impacts on Wolverhampton Infrastructure

- 4.6 The proposed allocations adjoining Wolverhampton raise cross-boundary infrastructure issues, particularly given the location of Draft BCP housing allocation in the north east of the City which will also impact on local infrastructure. The spatial strategy claims to be “infrastructure-led”, having specific regard to infrastructure opportunities such as school place expansions. It is particularly of note that the Linthouse Lane and Cross Green urban extensions would be expected to deliver infrastructure on site, creating communities with a high degree of self-containment in terms of local shops, community facilities and primary schools, which could minimise impacts on existing local communities, if delivered in a timely manner. The Infrastructure Delivery Plan sets out how various infrastructure needs are in the process of being assessed and how these may be addressed.
- 4.7 If infrastructure impacts are not fully assessed and mitigated through the contributions of developers and infrastructure providers these developments could have negative impacts on Wolverhampton infrastructure, including transport, public open space, education and health services. The developments could also have negative impacts on the environmental quality and amenity of immediately adjoining residential areas if not properly planned. Therefore, each development, including Langley Road, needs to be carefully masterplanned, based on sufficient detailed evidence, and it is vital that close joint working between SSDC and CWC continues on all relevant issues throughout the Plan preparation, SPD preparation and planning application processes.

- 4.8 The likely cross-boundary impacts of proposed developments in the Preferred Options document and the Draft BCP on key infrastructure issues (transport, education and health) are considered below. It is also important that any green infrastructure proposals for developments located on the edge of Wolverhampton are fully integrated with existing and potential green infrastructure networks in Wolverhampton.

Transport

- 4.9 In terms of transport infrastructure implications, close engagement will need to continue with Staffordshire County Council. As a gateway to the West Midlands, it is critical that the impact on the transport network of trip generation is assessed not just in the immediate vicinity of development but also in the corridors giving access into the urban area. Developments should minimise trip generation, through local provision of services, high-quality multi-modal connectivity and maximising opportunities arising from future transport developments e.g. growth in electric vehicle usage. Good access to the rail network and provision of supporting infrastructure such as sufficient park and ride capacity are essential. Any impact of the implementation of HS2 should be taken into account and high quality pedestrian and cycling infrastructure should be incorporated for local journeys and first / last mile links.
- 4.10 Development should link effectively to the strategic transport network, in particular high-capacity corridors such as the A449 and the proposed M6 link road, avoiding excessive pressure on sensitive transport links such as the A454, the urban A460 and non-strategic routes. Where transport link improvements are required to mitigate trip generation impacts, appropriate funding mechanisms should be secured. Co-ordinated transport modelling exercises are currently underway for the SSLP and BCP. Initial indications are that potential impacts on the Wolverhampton highways network can be mitigated through a viable and deliverable package of developer funded improvements.

Education

- 4.11 The Draft BCP identifies where, taking into account any planned provision, it is likely that a new school will need to be provided to meet local needs, and therefore land should be set aside to accommodate this. In Wolverhampton, land in Council ownership has been set aside for a two form entry primary school in the Bushbury area to meet the potential needs arising from housing developments in the north east of the City. Wolverhampton Local Education Authority (LEA) has advised that other primary and secondary school place needs arising from the Draft BCP can be accommodated within existing school capacity or extensions to existing schools, which will be funded by developer contributions, where this is financially viable.
- 4.12 SSDC currently operate a developer contribution system for school places needs arising from development. The Preferred Options document and IDP set out the expectation that there will not be a reliance on Wolverhampton schools to accommodate South Staffordshire pupils arising from new development, and vice versa, and that this will be set out in a Statement of Common Ground. Although sites are proposed for new primary schools at Linthouse Lane and Cross Green, there are

no specific proposals to address secondary school place needs arising from these developments. The IDP states that developments of 5000 homes may generate the need for a new secondary school.

- 4.13 Bhylls Acre Primary is located in Wolverhampton, adjoining the Langley Road site. Although the school is under the jurisdiction of SSDC most pupils are Wolverhampton residents. Langley Road would also be in the catchment area for South Staffordshire secondary schools. The Langley Road development would impact on the South Staffordshire area initially due to pupil demographics and South Staffordshire operating catchment areas. If the Published Admission Number at Bhylls Acre remained at 30 per year group, the delivery and phasing of the development would likely mean that new SSDC resident pupils could displace Wolverhampton resident pupils over time. However, the Wolverhampton Wards that are closest to the border show that cohorts entering reception up to academic year 2024-25 are anticipated to decrease based on birth rates. Therefore, any push back over time from the Langley Road development, for both primary and secondary phases, is expected to be capable of being catered for in existing provision within Wolverhampton, without the need for new schools or school extensions.
- 4.14 In conclusion, although it is welcome that SSDC are committed to meeting primary and secondary school place needs arising from Preferred Options development within South Staffordshire, and to establishing agreement on this with CWC through a Statement of Common Ground, further details are required on how the secondary school places arising from Linthouse Lane and Cross Green would be accommodated. These details should be set out in the IDP and established, as far as possible, in the SoCG.

Health Infrastructure

- 4.15 The Preferred Options document states that ensuring sufficient access to GP / health centres to accommodate residents from new developments will be a key challenge. The IDP states that access to GP provision has been identified as a local infrastructure concern. SSLP is considering requiring developer contributions towards health infrastructure such as GP / health centres, in a similar manner to the Draft BCP, and the NHS Estates team is due to provide estimates of site specific requirements and costs by the end of 2021. However, both the Linthouse Lane and Cross Green developments would generate a large number of additional patients and it is understood that there is no potential to extend local surgeries to accommodate this increase.
- 4.16 The part of South Staffordshire adjoining Wolverhampton is served by the South Staffordshire Clinical Commissioning Groups (CCGs) and Wolverhampton is served by the Black Country and West Birmingham (BCWB) CCG. Therefore, any cross-boundary solutions would require coordination of service improvements between adjoining CCGs. The BCWB CCG have advised CWC that the potential impact of Draft BCP housing sites on GP provision, which are concentrated in the north east of the City, can be mitigated through planned and potential service improvements which would be part-funded through developer contributions. However, it is not certain that these improvements could also absorb additional demand arising from Linthouse Lane and Cross Green. This is particularly a concern given the lack of available sites

and expansion land for surgeries in the constrained urban area of Wolverhampton. BCWB CCG currently consider that the number of new patients generated by the smaller Langley Road development could be accommodated through the addition of an extra consulting room at an existing local surgery in south west Wolverhampton.

- 4.17 Therefore, to avoid the potential for negative impacts on GP service provision in Wolverhampton, and in line with the principle of “self-containment” for urban extensions, it is crucial that land is set aside at the Linthouse Lane site and/or the Cross Green site sufficient to accommodate consulting rooms to serve all residents (including homes estimated for delivery post-2038). If this land is ultimately not required, due to service changes or availability of other sites for GP provision, it could be released for other uses. However, it is important that these developments are designed so that they are capable of delivering GP provision on site, if this is the only solution available at the time a planning application is submitted.
- 4.18 It is also essential that SSDC develop a developer contribution system which will secure sufficient funds from major housing developments to deliver consulting rooms in a timely manner which avoids impacts on Wolverhampton GP service provision. Finally, the SSLP needs to make clear that the Langley Road development will be required to make sufficient contributions to deliver an extra consulting room in south west Wolverhampton, through close consultation with BCWB CCG.

Proposed Principles for a Wolverhampton Response

- 4.19 Therefore, it is proposed that the principles for a CWC consultation response are developed based on:

Duty to Cooperate and Statements of Common Ground

- a) Acknowledgment that the BCA and SSDC have been working together constructively on planning issues of mutual interest and that this is expected to continue with a focus on the phasing of new development and to ensure that the infrastructure required to address the impacts of development proposals is provided for;
- b) Expectation that, as the BCP and SSLP both move towards Publication in summer 2022, the BCA and SSDC will aim to reach agreement on all relevant cross-boundary issues and reflect this agreement in draft Statements of Common Ground to support each Plan;
- c) Support for the preferred housing growth option of local housing need plus 4,000 homes to meet HMA need up to 2038;
- d) Given detailed evidence provided by the Draft BCP that the Black Country has a very significant housing shortfall up to 2039, and the close geographical, migration and commuting links between the Black Country and South Staffordshire, request that the full 4,000 homes should be specifically allocated to meet Black Country housing needs;
- e) Support the longer term growth aspirations for a new settlement with strong sustainable transport links to the Black Country, which could help meet longer term Black Country housing shortfalls;
- f) Request that the South Staffordshire HEDNA is completed as soon as possible, with due regard to the Black Country EDNA (2021) and the West Midlands

Interchange Apportionment Study, and shared with the BCA as soon as possible to determine how far the SSLP will be able to contribute towards significant unmet employment land needs in the Black Country.

Site allocations and cross-boundary infrastructure

- g) Noting the scale and location of the proposed extensions to the Wolverhampton urban area and to commit to require further work on infrastructure requirements and assurances that close joint working on all relevant planning issues will continue throughout the Plan preparation process, SPD preparation, pre-application and planning application processes;
- h) Request that a SPD and Infrastructure Delivery Strategy is also prepared for the Langley Road site;
- i) Request that the affordable housing secured on sites proposed in the Plan within the Wolverhampton locality are allocated through nomination rights for Wolverhampton residents, and that this requirement is set out in the Publication Plan;
- j) Request that the combined impact of SSLP and BCP developments on the wider transport network is assessed, that development links effectively to the strategic transport network and avoids excessive pressure on sensitive transport links, that effective sustainable transport solutions are provided to connect essential trips to the local network, and that developments seek to minimise trip generation through all available mechanisms;
- k) Support for the continued promotion of the existing Brinsford Strategic Park and Ride site allocation in the Preferred Options and request that this project and other supporting infrastructure which increases access to the rail network should be fully promoted in the SSLP;
- l) Support for developing a Statement of Common Ground establishing the principle of self-containment regarding primary and secondary school places for both the SSLP and the BCP, however request further detail on how secondary school places arising from Linthouse Lane and Cross Green would be accommodated;
- m) Request that land is set aside at Linthouse Lane and/or Cross Green sufficient to accommodate GP consulting rooms to serve all residents, in line with the principle of self-containment for urban extensions;
- n) Request that SSDC develop a developer contribution system which will secure sufficient funds from major housing development to deliver GP consulting rooms in a timely manner, so that there are no negative impacts on Wolverhampton GP service provision;
- o) Request that the SSLP makes clear that the Langley Road development will be required to make sufficient contributions to deliver an extra GP consulting room in south west Wolverhampton.
- p) Request that green infrastructure proposals for developments on the edge of Wolverhampton are integrated with existing and potential networks in Wolverhampton.

5.0 Evaluation of alternative options

- 5.1 The alternative option is for the Council not to respond to the consultation. This option is not viable, given the implications of the SSLP for Wolverhampton could be significant.

6.0 Reasons for decision

- 6.1 The SSLP could have significant implications for Wolverhampton therefore it is important that the Council submits a response to each stage of consultation.

7.0 Financial implications

- 7.1 There are no immediate financial implications arising directly from this report. Any staffing costs associated with responding to the consultation will be met from the approved Planning budget 2021-22. At future stages in the SSLP process implications may arise for infrastructure provision in Wolverhampton, which will be addressed in future reports.
[VS/18112021/W]

8.0 Legal implications

- 8.1 As a neighbouring authority, SSDC are required to work with the Council on the preparation of their Local Plan documents. Pursuant to Section 110 of the Localism Act 2011 the Council's planning authority has a legal "duty to cooperate" This requires the Council to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Local Plan preparation in the context of strategic cross boundary matters.
- 8.2 The duty to cooperate is not a duty to agree, but local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination. Local planning authorities must demonstrate how they have complied with the duty otherwise they will not be able to proceed further in examination. As part of its consideration, local planning authorities will need to bear in mind that the cooperation should produce effective and deliverable policies on strategic cross boundary matters as set out in the body of this report.
[JA/18112021/F]

9.0 Equalities implications

- 9.1 A screening has been carried out for equalities implications and this concluded that a full Equality Analysis was not required for the recommendations of this report, as they do not involve a change to Council services, functions, policies or procedures.

10.0 All other implications

- 10.1 On 2 October 2018 Cabinet (Resources) Panel approved the submission of a number of Council-owned sites to SSDC for development as part of the "Call for Sites" for the Local Plan. These sites have not been selected for inclusion in the Preferred Option consultation.

11.0 Schedule of background papers

- 11.1 South Staffordshire Local Plan Preferred Options Consultation, November 2021
- 11.2 South Staffordshire Local Plan Infrastructure Delivery Plan, November 2021
- 11.3 [Minutes of Vibrant and Sustainable City Scrutiny Panel](#) 7 November 2019

- 11.4 Report to 22 January 2020 Cabinet: [South Staffordshire Local Plan Spatial Housing Strategy and Infrastructure Delivery Consultation](#)
- 11.5 Report to 12 December 2018 Cabinet: [Wolverhampton Response to South Staffordshire Local Plan Issues and Options Consultation](#)
- 11.6 Report to 2 October 2018 Cabinet Resources Panel: [Black Country and South Staffordshire Plan Reviews – Call for Sites Submissions](#)